

**AMENDED AND RESTATED  
OPERATING AGREEMENT  
OF  
BORROWER LIMITED, LLC**

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**BORROWER LIMITED, LLC**  
**AMENDED AND RESTATED OPERATING AGREEMENT**

This Amended and Restated Operating Agreement (this “Agreement”) is entered into effective as of the \_\_\_\_ day of March, 2015, (the “Effective Date”) by Manny Green (“Green”).

**EXPLANATORY STATEMENT**

Effective this date, Green purchased all of the outstanding interests in the Company from Samuel Seller and has become the sole member of the Company. Green’s purchase of the outstanding interests in the Company was facilitated by a loan from Downright Good Investments, LLC, (“DGI”) the terms of which are set forth in a number of documents and instruments which are set forth on a schedule attached hereto labeled Exhibit A, all of which documents and instruments are referred to collectively as the “Loan Documents.”

Effective as of the Effective Date, Green has determined to amend and restate the operating agreement of the Company in accordance with the terms of, and subject to the conditions set forth in, this Agreement. Such amendment and restatement includes a covenant running to the benefit of DGI and its successors and assigns that until the loan from DGI is fully satisfied (i) the operating agreement of the Company as amended and restated herein will not be further amended, (ii) none of the interests issued to Green will be Transferred, and (iii) the Company shall not admit any additional members or issue any issue any additional Units.

**NOW, THEREFORE**, the terms and conditions under which the limited liability company are to be hereinafter organized and operated are as follows:

**SECTION I**  
**DEFINED TERMS**

The following capitalized terms shall have the meanings specified in this Section I. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

“Act” means the Maryland Limited Liability Company Act, as amended from time to time.

“Agreement” means this Agreement, as amended from time to time.

“Code” means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

“Company” means Borrower Limited, LLC, and operated from and after the Effective Date in accordance with this Agreement.

“DGI” means Downright Good Investments, LLC, and its successors and assigns.

“Effective Date” means March \_\_, 2015.

“Guaranty” means that guaranty from the Company as further described in the Loan Agreements.

“Interest” means a Person’s share of the Profits and Losses of, and the right to receive distributions from, the Company.

“Interest Holder” means any Person who holds an Interest, whether as a Member or as an unadmitted assignee of a Member.

“Involuntary Withdrawal” means, with respect to Green, the occurrence of any of the following events:

- (i) the making of an assignment for the benefit of creditors;
- (ii) the filing of a voluntary petition of bankruptcy;
- (iii) the adjudication as a bankrupt or insolvent or the entry against Green of an order for relief in any bankruptcy or insolvency proceeding;
- (iv) the filing of a petition or answer seeking for Green any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (v) the seeking, consenting to, or acquiescence in the appointment of a trustee for, receiver for, or liquidation of Green or of all or any substantial part of Green ’s properties;
- (vi) the filing of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against Green in any proceeding described in Subsections (i) through (v);
- (vii) any proceeding against Green seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, continues for one hundred twenty (120) days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for Green or all or any substantial part of Green ’s properties without Green ’s agreement or acquiescence, which appointment is not vacated or stayed for one hundred twenty (120) days or, if the appointment is stayed, for one hundred twenty (120) days after the expiration of the stay during which period the appointment is not vacated; or
- (viii) Green ’s death or adjudication by a court of competent jurisdiction as incompetent to manage Green ’s person or property.

“Loan” means that loan from DGI in the original principal amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) which is evidenced and secured by the Loan Documents.

“Loan Documents” means those documents set forth on Exhibit A.

“Manager” means Green.

“Member” means the Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

“Membership Rights” means all of the rights of a Member in the Company, including a Member’s: (i) Interest; (ii) right to inspect the Company’s books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

“Person” means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

“Profit” and “Loss” means, for each taxable year of the Company (or other period for which Profit or Loss must be computed) the Company’s taxable income or loss determined in accordance with the Code.

“Promissory Note” means that promissory note described in the Loan Agreements.

“Regulation” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

“SDAT” means the State Department of Assessments and Taxation of Maryland.

“Successor” means all Persons to whom all or any part of an Interest is transferred either because of an assignment of Green ’s Interest either voluntarily or due to Green ’s Involuntary Withdrawal.

“Transfer” means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

“Unit” means the units of ownership in the Company as further defined in Section 3.4.2. of this Agreement.

“Unit Certificate” means a certificate issued by the Manager on behalf of the Company to a Member to evidence a Member’s ownership of Units. Each Unit Certificate shall be in such form

as the Members shall from time to time prescribe, but in any event shall be numbered and registered in the Unit Register in the order issued, bear the Member's name, the number and class of Unit and shall be signed by the Manager.

"Unit Register" means the register recording the name(s), address(es), and tax identification number(s) of all holders of Units in the Company.

"Withdrawal" means a Member's dissociation from the Company by any means.

## **SECTION II FORMATION AND NAME; OFFICE; PURPOSE; TERM**

2.1. **ORGANIZATION.** The Company was formed on June 16, 2009.

2.2. **NAME OF THE COMPANY.** The name of the Company shall be "Borrower Limited. LLC." The Company may do business under that name and under any other name or names upon which Green may, in his sole discretion, determine. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file a trade name certificate as required by law.

2.3. **PURPOSE.** Company is organized to have all of the powers permitted by Section 4A-203 of the Corporations and Associations Article of the *Maryland Annotated Code*, as amended from time to time.

2.4. **PRINCIPAL OFFICE.** The principal office of the Company in the State of Maryland shall be located at 123 Elm Street, Baltimore, Maryland, Maryland 21203 or at any other place within the State of Maryland which Green, with the permission of DGI, determines.

2.5. **RESIDENT AGENT.** The name and address of the Company's resident agent in the State of Maryland shall be Manny Green, 123 Elm Street, Baltimore, Maryland, Maryland 21203.

2.6. **MEMBERS.** The name, present mailing address, number of Units, and the tax identification number of Green is set forth on the Unit Register attached as Exhibit B.

## **SECTION III MEMBERS; CAPITAL; CAPITAL ACCOUNTS; CERTIFICATED MEMBERSHIP INTERESTS**

3.1. **CAPITAL CONTRIBUTIONS.** Green has contributed to the Company cash as reflected in the books and records of the Company.

3.2. **NO OTHER CAPITAL CONTRIBUTIONS REQUIRED.** No Member shall be required to contribute any additional capital to the Company, and except as set forth in the Act, no Member shall have any personal liability for any obligations of the Company.

3.3. **LOANS.** Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree.

3.4. **CERTIFICATED MEMBERSHIP INTERESTS.**

3.4.1. **UNIT CERTIFICATES.** The ownership of the Units of the Company shall be evidenced by Unit Certificates in the form attached as Exhibit C.

3.4.2. **UNITS.** Ownership of the Company shall be divided into one hundred (100) Units. Each Unit shall represent one percent (1%) of all of the Membership Rights of the Company.

3.4.2. **UNIT REGISTER.** The Company shall maintain the Unit Register. Such Unit Register shall be maintained at the principal office of the Company by the Manager of the Company. All Unit Certificates issued shall be duly recorded in the Unit Register. Upon any surrender for registration of any Unit Certificate at the principal office of the Company, with an assignment or power of transfer endorsed thereon or delivered therewith, duly executed, with such proof of the authenticity of the signature and of authority to transfer and of payment of transfer taxes, if applicable, as the Manager may reasonably require, the Manager shall execute and deliver, in the name of the Company, a new Unit Certificate representing the Units being transferred. The Company shall treat the individual or entity in whose name each Unit Certificate is registered on the Unit Register as the sole and absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to, or interest in, such Unit on the part of any other Person, whether or not the Company shall have express or other notice thereof, except as otherwise expressly required by law.

3.5. **REPLACEMENT CERTIFICATES.** Upon receipt of evidence reasonably satisfactory to the Manager, on behalf of the Company, of the loss, theft, destruction or mutilation of any Unit Certificate and of a letter of indemnity reasonably satisfactory to the Manager, on behalf of the Company, and upon reimbursement to the Company of all reasonable expenses incident thereto, and upon surrender or cancellation of a Unit Certificate, if mutilated, the Manager, on behalf of the Company, shall make and deliver a new Unit Certificate for the Unit Certificate lost, stolen, destroyed or mutilated.

3.6. **PROHIBITION ON NEW MEMBERS; ASSIGNMENT.** So long as (i) any Units are encumbered by any lien or security interest to DGI, or (ii) there is any obligation to DGI under the terms of the Promissory Note or any of the Loan Documents, the Company shall not:

3.6.1. Issue any new Units;

3.6.2. Allow the admission of any new members; or

3.6.3. Allow the Transfer of any Units.



## SECTION IV PROFIT, LOSS, AND DISTRIBUTIONS

4.1. **DISTRIBUTIONS AS COMPENSATION TO GREEN FOR SERVICES.** The Company, from time to time, may make distributions with respect to the Units held by any Member; provided, however, no distribution may be made to any Member or with respect to any Unit at such time as (i) any Units are encumbered by any lien or security interest to DGI, or (ii) there is any obligation to DGI under the terms of the Promissory Note or the Loan Documents.

4.2. **ALLOCATION OF PROFIT OR LOSS.** All Profit or Loss shall be allocated to Green.

4.3. **LIQUIDATION AND DISSOLUTION.** If the Company is liquidated:

4.3.1. If any Units are encumbered by any lien or security interest to DGI, or (ii) there is any obligation to DGI under the terms of the Promissory Note or the Loan Documents, such assets shall first be distributed to DGI until all obligations under the Promissory Note and the Loan Documents have been satisfied, then

4.3.2. The assets shall be distributed to Green or to a Successor or Successors.

## SECTION V MANAGEMENT: RIGHTS, POWERS, AND DUTIES

5.1. **MANAGEMENT.** The Company shall be managed by the Manager. The Manager shall have full charge at his sole discretion to the management, conduct and operation of the Company's business, and his decision shall be binding on the Company, and in particular, without limitation upon the generality of the foregoing, the Manager shall have authority to cause the Company: to employ or engage the services of such agents, employees, independent contractors, attorneys, and accountants, as he deems reasonably necessary; to create, by grant or otherwise, easements and servitudes; to alter, improve, repair, raze, replace, and rebuild Company property; to effect insurance for the Company and the Members; to pay, collect, compromise, arbitrate, or otherwise adjust any and all claims or demands of or against the Company; to enter into any and all other transactions involving the Company's property, real or personal, or business affairs; and to abandon any unconsummated transaction, even if consent thereto by other Members has been obtained (whether or not any such consent was required).

5.2. **MEETINGS OF AND VOTING BY MEMBERS.**

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Baltimore City or Baltimore County, Maryland designated by the Member calling the meeting. Not less than ten (10) nor more than ninety (90) days before each meeting, the Member calling the meeting shall give written notice of the meeting to each Member. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member

waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy.

5.2.2. At a meeting of Members, the presence in person or by proxy of Members holding not less than fifty percent (50%) of the Units then held by the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney in fact.

5.2.3. With the consent of all of the Members, meetings of the Members may be held anywhere inside or outside of the State of Maryland. A Member may participate in a meeting of the Members by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time.

5.2.4. The affirmative vote of the Members holding fifty percent (50%) or more of the Units shall be required to approve any matter coming before the Members.

5.2.5. The Members may vote or otherwise take action by a written instrument indicating the consent of Members holding fifty percent (50%) or more of the Units then held by the Members. In the case of a Major Issue, in lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding fifty percent (50%) or more of the Class Percentages of the Members of each class of Member then held by the Members of each class of Member.

5.2.6. Notwithstanding any other provision of this Agreement, the Manager, without the approval of the Members, may take any actions required with respect to any lease between the Company and any Member or Interest Holder or an Affiliate of any Member.

5.3. **PERSONAL SERVICES.** Green shall not be required to perform services for the Company solely by virtue of being a Member.

5.4. **LIABILITY AND INDEMNIFICATION.**

5.4.1. Neither Green or any of his agents, servants, or employees, shall be liable, responsible, or accountable, in damages or otherwise, to the Company for any act performed by any of them with respect to Company matters, except for fraud.

5.4.2. The Company shall indemnify Green and his agents, servants, and employees, for any act performed by any of them with respect to Company matters, except for fraud.

5.4.3. Reasonable expenses incurred by Green or his agents, servants, or employees, if any of them are party to a proceeding may be paid or reimbursed by the Company in advance of the final disposition of the proceeding upon receipt by the Company of (i) a written affirmation by Green or the agent's good faith belief that the standards of conduct necessary for indemnification by the Company as authorized by this Section 5.3. have been met; and (ii) a written undertaking by

or on behalf of Green or the agent to repay the Company the amount if it shall ultimately be determined that the standards of conduct have not been met. The undertaking required by this Section 5.4.3. shall be an unlimited general obligation of Green or its agent, but need not be secured and may be accepted without reference to financial ability to make the repayment.

## **SECTION VI TRANSFER OF INTERESTS AND WITHDRAWALS OF MEMBERS**

6.1. **TRANSFERS.** Green may Transfer all or any portion of his interest or rights in, its Membership Rights to one or more Successors; provided, however, Green may not Transfer any portion or all of any of his Units in the Company at such time as (i) those Units are encumbered by any lien or security interest to DGI, or (ii) there is any obligation to DGI under the terms of the Promissory Note or the Loan Documents.

6.2. **TRANSFER TO A SUCCESSOR.** In the event of any Transfer of all or any part of Green 's Interest to a Successor, the Successor shall thereupon become a Member and the Company shall be continued.

## **SECTION VII DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE COMPANY**

7.1. **EVENTS OF DISSOLUTION.** The Company shall be dissolved if Green determines, or if a Successor determines, or all of the Successors unanimously determine, to dissolve the Company; provided, however, the Company shall not dissolve at such time as (i) the Units in the Company are encumbered by any lien or security interest to DGI, or (ii) there is any obligation to DGI under the terms of the Promissory Note or the Loan Documents. The Company shall not be dissolved merely because of Green 's Involuntary Withdrawal.

7.2. **PROCEDURE FOR WINDING UP AND DISSOLUTION.** If the Company is dissolved, the affairs of the Company shall be wound up. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company in satisfaction of the liabilities of the Company, and then to the Persons who are the Members of the Company in proportion to their Interests.

7.3. **FILING OF ARTICLES OF CANCELLATION.** If the Company is dissolved, Articles of Cancellation shall be promptly filed with SDAT. If there are no remaining Members, the Articles shall be filed by the last Person to be a Member; if there are no remaining Members, or a Person who last was a Member, the Articles shall be filed by the legal or personal representatives of the Person who last was a Member.

**SECTION VIII**  
**BOOKS, RECORDS, ACCOUNTING, AND TAX ELECTIONS**

8.1. **BANK ACCOUNTS.** All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. Green shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein; provided, however, so long as (i) there are any Units that are encumbered by any lien or security interest to DGI, or (ii) there is any obligation to DGI under the terms of the Promissory Note or the Loan Documents, no bank account or accounts shall be opened in the Company's name nor shall any funds of the Company be deposited in any account or accounts without the written permission of DGI.

8.2. **BOOKS AND RECORDS.** Green shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The books and records shall be maintained in accordance with sound accounting principles and practices.

8.3. **ANNUAL ACCOUNTING PERIOD.** The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by Green, subject to the requirements and limitations of the Code.

**SECTION IX**  
**GENERAL PROVISIONS**

9.1. **ASSURANCES.** Green shall execute all such certificates and other documents and shall do all such filing, recording, publishing, and other acts as Green deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. **APPLICABLE LAW.** All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Maryland.

9.3. **SECTION TITLES.** The headings herein are inserted as a matter of convenience only, and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.4. **BINDING PROVISIONS.** This Agreement is binding upon, and inures to the benefit of, Green and its Successors and permitted assigns.

9.5. **TERMS.** Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the Person may in the context require.

9.6. **SEPARABILITY OF PROVISIONS.** Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.7. **AMENDMENT OF THIS AGREEMENT.** Neither the Articles of Organization of the Company nor Agreement may be amended so long as (i) there are any Units that are encumbered by any lien or security interest to DGI, or (ii) there is any obligation to DGI under the terms of the Promissory Note or the Loan Documents.

9.8. **JOINDER OF COMPANY.** The Company is joined in this Agreement to evidence (i) its right to enforce all rights set forth in this Agreement that are stated to belong to the Company and (ii) that it is subject to all of the liabilities and obligations that are stated to be imposed upon it as set forth in this Agreement.

9.9. **INTENDED BENEFICIARY.** Green and the Company agree that DGI is an intended third-party beneficiary of this Agreement and may enforce the terms of this Agreement.

IN WITNESS WHEREOF, Green executed, or caused this Agreement to be executed, under seal, as of the date set forth hereinabove.

**WITNESS OR ATTEST:**

\_\_\_\_\_

\_\_\_\_\_

**MEMBER:**

\_\_\_\_\_(SEAL)  
Manny Green, Sole Member

Borrower Limited, LLC

By \_\_\_\_\_(SEAL)  
Manny Green, Sole Member

**BORROWER LIMITED, LLC**  
**EXHIBIT B TO OPERATING AGREEMENT**  
**UNIT REGISTER**

<b>NAME, ADDRESS AND TAXPAYER IDENTIFICATION NUMBER OF MEMBER</b>	<b>NUMBER OF UNITS</b>	<b>DATE OF ACQUISITION</b>
Manny Green 123 Elm Street, Baltimore, Maryland 21203 123-45-6789	One Hundred (100)	March __, 2015