

### APPLICATION FOR APPROVAL OF TRANSFER OF A FRANCHISE Marion County, Florida

Please Type or Print

Check All that Apply:
Commercial Collection Service Residential Collection Service
Transferor Details
Part I – Personal Information  Fill out the following information for each applicant, including corporate or partnership applicants:  DBA FLOREDA EXPRESS ENVIronMental Lic  1. Transferor/Business Name Floreda express Waste Recycling
2. Transferor/Business Owner(s) John Paglia Tr v Mickael D. Paglia
3. Contact Person, Local Manager (if different than applicant)  TP3 President (John Pagha III)
4. Address: 460 NW Sana Avenue Ocala, FL 34482
5. Mailing Address (if different) P.O. Box 5058 Ocala, F1 34478
6. Business Phone: 353 369-5411 7. Social Security: N/A
8. Tax ID#: <u>59-3909853</u> 9. Date of Birth: <u>NJA</u>
10. Date of Award of Franchise 05 1201 2009
11. Resolution Number #001
12. Any criminal convictions or charges to which the applicant has pled nolo contendere, no contest, adjudication of guilt withheld or any charge pending:
YES NO
If yes, explain:

Part II – Transferor/Corporation/Partnership Information If any of the following is applicable, supply the requested information by attachments.
1. Corporation $N/A$ a) Publicly Traded YES NO
If yes, which state or federal agency is responsible for regulating securities?
b) State of Incorporation
c) Current status (active, dissolved, etc.)
d) Fictitious Business Name
e) In lieu of <b>b</b> through <b>d</b> above, provide the following:
Articles of Incorporation     Corporation Charter     Copy of most recent annual report
f) List of persons having a financial, management or controlling interest in the corporation with personal information required in Part I above for each individual (for purpose of this section, ownership of 5% or more of applicant shall be deemed a "controlling interest").
NAME:
ADDRESS:
2. Partnership Please See Attached  a) Copy of Partnership Agreement Attached
b) Any fictitious name Attached
c) Personal information required in Part 1 above for all partners, including limited partners
Attach separate sheet as needed.

# SECOND AMENDED AND RESTATED OPERATING AGREEMENT OF IMG HOLDINGS, LLC

THIS SECOND AMENDED AND RESTATED OPERATING AGREEMENT ("Agreement") is entered into effective as of the 31st day of December, 2023, by and among those Persons named and identified as Members on Schedule A attached hereto and incorporated herein by this reference, along with any other Person who may become a Member or Holder of a Membership Interest in IMG Holdings, LLC (the "Company").

#### ARTICLE 1 DEFINITIONS

Unless specifically defined elsewhere in this Agreement, capitalized terms used in this Agreement have the following meanings:

"Act" means the Florida Revised Limited Liability Company Act, as amended from time to time, or any successor statute.

"Articles" means the Articles of Organization, and any amendments thereto, of the Company as initially filed with the Florida Department of State on August 29, 2000.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed or deemed contributed to the Company by a Member or Holder, net of liabilities assumed or to which the assets are subject. Capital Contributions include promissory notes, services performed, an obligation or agreement to contribute money or property and an obligation or agreement to perform services whether or not reflected in the Person's Capital Account.

"Cash Flow" means the Company's taxable income for federal tax purposes, increased by (i) amortization, depreciation and other noncash charges taken into account in computing taxable income, (ii) any nontaxable income or proceeds from any refinancing of the Company's indebtedness (other than Capital Contributions), (iii) such amounts that the Managers determine are no longer needed to be maintained in a working capital reserve and decreased by (iv) principal payments on Company debts, (v) any other cash expenditures which have not been deducted in determining the taxable income of the Company, and (vi) any amount that the Managers determines to be reasonably required to maintain sufficient working capital, a reasonable reserve for operating expenses and a reasonable reserve for capital expenditures. The Cash Flow of the Company shall be determined separately for each Fiscal Year and not cumulatively.

"Class" shall mean a category of Membership Interests that differ in voting rights from another category of Membership Interests of the Company. There are to be two Classes.

"Class A Member" is a Member holding a Class A Membership Interest.

"Class A Membership Interest" or "Class A Units" shall mean the Membership Interest or Units received or held by those Members designated as such on Schedule A attached hereto and any subsequent Member with respect to the Governance Rights associated with such

4896-2476-9668v7 2928831-000023 Membership Interests or Units. The Governance Rights associated with the Class A Membership Interest are not limited by this Agreement. Each Class A Unit shall carry the right to cast one vote on any matter submitted to the Members of the Company for a vote.

"Class B Member" is a Member holding a Class B Membership Interest.

"Class B Membership Interest" or "Class B Units" shall mean the Membership Interest or Units received or held by those Members designated as such on Schedule A attached hereto and any subsequent Member with respect to the Governance Rights associated with such Membership Interests or Units. The Class B Membership Interest shall be non-voting except as otherwise expressly provided in this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Disability" or "Disabled" means that a qualified independent physician mutually acceptable to the Company and the affected Person has determined that, due to a physical or mental condition and, after any reasonable accommodation required by law, such Person is or has been unable to participate in the business of the Company or to make any required decision with respect to the Company for six (6) consecutive months.

"Distribution" means a direct or indirect transfer of money or other property by the Company (except for the issuance of its own Membership Interests or Financial Rights), with or without consideration, or an incurrence or issuance of indebtedness (whether directly or indirectly, including through a guaranty) to or for the benefit of any of the Members or Holders of Financial Rights, as applicable, in respect of Membership Interests or Financial Rights. The term "Distribution" does not include amounts paid to or for the benefits of Members or Holders as compensation or benefits for services rendered by them in their capacities as Members, Holders, officers, Managers or agents.

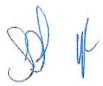
"EBITDA" means earnings of the Company before interest, taxes, depreciation and amortization.

"Financial Rights" means a Member or Holder's rights to share in the Profits, Losses, and Cash Flow of the Company and to receive interim and liquidating Distributions of the Company.

"Fiscal Year" means the calendar year.

"Governance Rights" means a Member's right to vote on one or more matters, all of a Member's other rights as a Member in the Company under the LLC Documents or the Act, other than Financial Rights, and the right to transfer the voting and other rights described herein.

"Holder of Financial Rights" or "Holder" means a Person, who is not a Member, but who owns Financial Rights in the Company. All Holders shall be listed on Schedule A hereto. A Holder may acquire its Financial Rights either by transfer from a Member or other Holder or directly from the Company.



"Immediate Family Member" shall mean John A. Paglia, Jr. and Michael D. Paglia and their respective lineal ancestors or lineal descendants, a trust established for the primary benefit of one or more of the above, a marital income trust for a spouse of one or more of the above provided that the remainder beneficiaries of such trust shall be one or more lineal descendants of John A. Paglia, Jr. or Michael D. Paglia, or the estate of an individual who was a Member or Holder while living. A duly appointed and serving trustee, custodian, guardian, attorney-in-fact, executor or other fiduciary serving for the benefit of one of the above may act for and represent the interest of such Immediate Family Member for all purposes under this Agreement and, if a Member is an entity, the organizational documents creating and/or controlling such entity must provide that only those individuals or entities identified above may be owners or beneficiaries. Such organizational documents shall provide that the class of eligible owners or beneficiaries may not be expanded without the written consent of all the Class A Members. An individual adopted prior to attaining the age of eighteen (18) shall for all purposes herein be deemed to be a lineal descendant of the individual so adopting, and the individual so adopting and such individual's ancestors shall for all purposes herein be deemed to be lineal ancestors of such adopted individual.

"Losses" means the excess of all expenses of the Company over all income of the Company (including, without limitation, the amount of any losses recognized by the Company on the sale or other disposition of Property) during a Fiscal Year, all as determined in accordance with the method of accounting utilized by the Company for federal income tax purposes.

"Majority of Class A Members" means Class A Members holding more than fifty percent (50%) of the Percentage Interests owned by all Class A Members.

"Manager" or "Managers" means the Persons elected or designated as provided in this Agreement. A Manager need not be a Member of the Company.

"Member," individually, or "Members," collectively, shall mean, those persons set forth on Schedule A attached hereto as Schedule A may hereafter be amended, together with any additional Members admitted pursuant to the provisions of this Agreement.

"Membership Interest" means each Member's interest in the Company, including Financial Rights, Governance Rights or both.

"Organizational Documents" means either or both of the Articles and this Agreement.

"Percentage Interest" means, with respect to each Member or Holder, the percentage determined by dividing the Units of both classes owned by such Member or Holder by the total number of Units of both classes that are issued and outstanding as of the date of any calculation. The Percentage Interest of each Member as of the date of this Agreement is set forth on Schedule A.

"Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, limited liability partnership, trust, estate, unincorporated organization, association, corporation, institution or other entity.



"Profits" means the excess of all income of the Company over all expenses of the Company (including, without limitation, the amount of any gains recognized by the Company on the sale or other disposition of Property) during a Fiscal Year, all as determined in accordance with the method of accounting utilized by the Company for federal income tax purposes.

"Substituted Member" means a Person that is admitted as a Member to the Company pursuant to Section 3.5.

"Transfer" means to sell, transfer, assign, pledge, hypothecate, mortgage or otherwise dispose of an Interest in the Company, whether voluntarily or by operation of law.

"Treasury Regulations" means those regulations promulgated by the United States Treasury Department under the Code, as such regulations may be amended from time to time (including, without limitation, corresponding provisions of succeeding regulations).

"Unit" means a Membership Interest in the Company representing a fractional part of the Membership Interests in the Company and shall include Class A Units and Class B Units. The Units owned by each Member shall be recorded on Schedule A. A Member may hold Units in more than one Class. The Managers shall amend Schedule A as appropriate.

### ARTICLE 2 GENERAL PROVISIONS

- 2.1 <u>Formation</u>. The Company has been organized as a limited liability company by the filing of the Articles pursuant to the Act with the Secretary of State for the State of Florida.
- 2.2 <u>Adoption</u>. The parties to this Agreement hereby adopt this Agreement as the operating agreement for the Company pursuant to the Act. This Agreement amends and restates in its or their entirety all prior operating agreements of the Company.
- 2.3 Name. The name of the Company shall be "IMG Holdings, LLC" or such other name as may from time to time be selected by the Managers. The Company may adopt and conduct its business under such assumed or trade names as the Managers select in their sole discretion.
- 2.4 <u>Business</u>. The business of the Company shall be to own, lease and operate waste management and recycling businesses, either directly or through one or more subsidiaries, and to engage in all activities determined by the Managers to be necessary, proper, convenient or advisable in connection with such business. The Company may also engage in any other activities that the Class A Members unanimously deem advisable.
- 2.5 <u>Principal Office</u>. The principal place of business of the Company shall be located at 460 NW 52<sup>nd</sup> Avenue, Ocala, Florida 34482, or such other location as the Managers may determine from time to time.
- 2.6 <u>Term.</u> The term of the Company shall continue in perpetuity unless sooner dissolved and terminated as provided in this Agreement.



- 2.7 Ownership of Company Property. All property acquired by the Company, real or personal, tangible or intangible, shall be owned by the Company as an entity, and no Member shall have any individual ownership interest therein. Each Member expressly waives the right to require partition of any Company property.
- 2.8 <u>Registered Office Registered Agent; Principal Office: Other Offices.</u> The registered office of the Company shall be in the office of the registered agent named in the current Annual Report filed by the Company from time to time with the State of Florida.
- 2.9 <u>No Election Out of Subchapter K.</u> The Members and Holders intend that the Company be treated as a partnership for federal income tax purposes. No election shall be made by the Company or any Member or Holder to be excluded from the application of the provisions of Subchapter K of the Code. Notwithstanding the foregoing, the Members and Holders do not intend that the Company be a partnership or joint venture for state law purposes or for any purpose other than federal, state and local tax purposes.

## ARTICLE 3 CAPITAL; ADDITIONAL MEMBERS

- Authorized and Issued Capital. A total of 100 units of Class A Units and a total of 100 units of Class B Units are authorized to be issued by the Company. However, the total of all Units of both Classes issued and outstanding at any one time shall not exceed 100 so that the total of all Percentage Interests at any one time shall always equal 100%. Fractional Units of either Class may be issued. Additional Units of either Class may be issued as compensation or for such other consideration as the Class A Members shall unanimously determine in their sole discretion. The Class A Members may, in their sole discretion, by unanimous consent authorize the conversion of one Class of Unit to another Class or Unit or the redemption of any Class of Unit for such consideration as they deem appropriate. The Managers may issue certificates to each Member setting forth the number of units owned by such Member.
- 3.2 <u>Initial Capital Contributions</u>. Each Member has contributed to the capital of the Company such amounts as are set forth on the books and records of the Company.
- 3.3 Additional Capital Contributions. No additional Capital Contribution or assessment shall be required of any Member or Holder without the unanimous written consent of the Class A Members. No Member may make any additional Capital Contribution to the Company except with the unanimous approval of the Class A Members. There is no negative Capital Account make-up required either during the existence of the Company or at the dissolution and termination of the Company.

#### 3.4 <u>Capital Call</u>.

(a) The Class A Members may by unanimous vote require all Members to make one or more additional Capital Contributions to the Company in proportion to their Percentage Interests (a "Capital Call"). A Capital Call shall be made in writing to all Members and shall state the date on which the additional capital shall be contributed, which date shall not be less than sixty (60) days after the date of the notice. Neither a Capital Call nor the exercise of any of the remedies





set forth in Section 3.4(b) below shall adjust the Members' respective Percentage Interests unless the remedy set forth in Section 3.4(b)(i)(A) is exercised.

- (b) If a Member does not timely contribute capital pursuant to a Capital Call, the Managers shall send the defaulting Member written notice of such default, giving the defaulting Member fourteen (14) days from the date such notice to contribute the entire amount of its required Capital Contribution. If the defaulting Member does not contribute its required capital to the Company within such fourteen (14)-day period, then the Managers shall notify the non-defaulting Class A Members that the non-defaulting Class A Members may elect (by the affirmative vote of a Majority of the non-defaulting Class A Members) any one or more of the following remedies:
- The non-defaulting Class A Members may advance funds to the (i) Company pro rata (based on the ratio each non-defaulting Class A Member's Percentage Interest bears to the sum of the Percentage Interests of all non-defaulting Class A Members electing to contribute the shortfall capital) to cover those amounts that the defaulting Member fails to contribute. If any Class A Member chooses not to so contribute, the non-defaulting Class A Members who elect to contribute shall have the option but not the obligation to contribute pro rata the portion of the additional capital not agreed to be contributed by non-defaulting Class A Member. Amounts which the non-defaulting Class A Members so advance (each, a "Lending Member") shall be treated as a loan ("Loan") due and owing from the defaulting Member to such Lending Member. The Loan shall be evidenced by a promissory note ("Note") bearing interest at eight percent (8%) per annum, payable monthly, with all principal and interest due in full one (1) year from the date While a Note remains unpaid (including accrued interest thereon), all the Loan is made. Distributions otherwise distributable to the defaulting Member under this Agreement shall instead be paid to the Lending Member. Each defaulting Member grants to the Lending Member(s) a security interest in its Membership Interests to secure its obligation to repay the Note and agrees to execute and deliver a security agreement and such UCC-1 financing statements and assignments of Membership Interest as the Lending Member(s) may reasonably request.
  - (A) If a Note is not paid when due, the Lending Member(s) may exercise its remedies under the security agreement by notifying the Managers in writing of such exercise in which event the Managers shall revise the books and records of the Company and the Percentage Interests of the Members to reflect the transfer of the defaulting Member's pledged Membership Interest to the Lending Member(s).
  - (B) The defaulting Member shall lose his voting and approval rights, if any, under the Act and the Organizational Documents until such time as the defaulting Member cures the default.
  - any Member in making a required Capital Contribution will result in the Company and the non-defaulting Members incurring certain costs and other damages in an amount that would be extremely difficult or impractical to ascertain the remedies described in this Section 3.3 bear a reasonable relationship to the damages which may be suffered by the Company and the non-defaulting Members by reason of the failure of a defaulting Member to make any required Capital Contribution and that the election of any or all of the above described remedies is not unreasonable under the circumstances existing as of the date hereof.

- (D) The election of the Lending Members to pursue any remedy provided in this Section 3.4(b)(i) shall not be a waiver or limitation of the right to pursue an additional or different remedy available hereunder or at law or equity with respect to any subsequent default. Any Lending Member may decline to exercise the remedies provided in Section 3.4(b)(i) without affecting any other Lending Member's right to exercise its rights under Section 3.4(b)(i).
- (ii) If any amounts required to be funded under a Capital Call are not provided through the mechanism described in Section 3.4(b)(i), then the non-defaulting Class A Members may loan such needed funds directly to the Company. Any such loan shall bear interest at the rate of 12% per annum and shall have priority over Distributions to the Members.
- 3.5 <u>Return of Capital Contributions</u>. Except as expressly provided in this Agreement, no Member or Holder will have the right to the return of its Capital Contribution or to receive interest on its Capital Account.
- 3.6 <u>Capital Accounts</u>. A separate Capital Account shall be established for each Member and maintained in accordance with the provisions of <u>Schedule B</u> attached hereto.
- 3.7 Additional Members. The Managers, with the unanimous approval of the Class A Members, may cause the Company to admit one or more Persons as additional Members. The terms of any such additional Member's admission, including such Person's Capital Contributions and Percentage Interest, shall be determined by the Managers and approved by a unanimous consent of the Class A Members. No Person shall be admitted as an additional Member without executing and delivering to the Company a counterpart of this Agreement. The Managers shall promptly amend Schedule A to reflect the admission of the new Member when all conditions of this Agreement have been met.

### ARTICLE 4 ALLOCATIONS OF PROFITS AND LOSSES

- 4.1 <u>Participation in Profits and Losses</u> Subject to the provisions of <u>Schedule B</u>, Profits and Losses shall be allocated to the Members and Holders in accordance with their Percentage Interests.
  - 4.2 <u>Allocations with Respect to Transferred Interests.</u>
- (a) If any Membership Interest or Financial Interest in the Company is Transferred, or is increased or decreased by reason of the admission of a new Member or otherwise during any Fiscal Year of the Company, Profits or Losses and any other item of income, gain, loss, deduction or credit of the Company for such Fiscal Year shall be allocated among the Members and Holders in accordance with their respective Percentage Interests which they had from time to time during such Fiscal Year in accordance with Code Section 706. Such allocation shall be made using the "closing of the books" method unless the Manager determines to use the pro rata method or other method permitted by Treasury Regulations.





(b) For convenience in accounting, the Company may, to the extent permitted by law, treat a Transfer of, or an increase or decrease in, a Membership Interest or Financial Interest in the Company that occurs at any time during a month (commencing with the month including the date of this Agreement) as having been consummated on the first day of that month, regardless of when during that month the transfer, increase or decrease actually occurs, or adopt such convention as the Managers may lawfully select.

### ARTICLE 5 DISTRIBUTIONS

- 5.1 <u>Distributions of Cash Flow</u>. Cash Flow shall be distributed, in such amounts and at such times, as the Managers may determine. The Managers shall be under a fiduciary duty to the Members and Holders in making such decision. Other than in liquidation of the Company, Cash Flow shall be distributed to the Members in accordance with their respective Percentage Interests. Pursuant to <u>Section 3.4(b)(i)</u>, any Distribution that would otherwise be payable to a defaulting Member shall instead be payable to the Lending Member.
- 5.2 <u>Amounts Withheld</u>. All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment or Distribution to the Members or Holders shall be treated as amounts distributed to the Members and Holders pursuant to this <u>Article 5</u> for all purposes under this Agreement. The Members and Holders may allocate any such amounts among themselves in any manner that is in accordance with applicable law.
- 5.3 <u>In-Kind Distributions</u>. Neither a Member nor a Holder (i) has a right to demand or receive a payment in kind regardless of the contribution to the Company of the Member or Holder nor (ii) may be compelled to accept a Distribution of any asset in kind from the Company to the extent that the percentage of the asset distributed to the Member or Holder exceeds the Member or Holder's Percentage Interest.
- 5.4 <u>Tax Distributions</u>. Subject to restrictions set forth in any loan agreement affecting the Company, the Managers shall use reasonable efforts to cause the Company to distribute an aggregate amount of cash sufficient to enable each Member to pay the Member's increased Federal and state income taxes on the Member's distributive share of the Company's taxable income for the year ("<u>Tax Distributions</u>"). To the extent the Company has sufficient cash, the Managers shall attempt to make Tax Distributions within fifteen (15) days after the end of each calendar quarter.
- 5.5 Record Date for Distributions. Unless the Managers specify a prospective date, the record date for determining the identity of the Members and Holders entitled to receive payment of any Distribution shall be the date on which the Managers declare such Distribution.

### ARTICLE 6 MANAGEMENT OF THE COMPANY

6.1 <u>Management of the Company</u>. Subject to Section 6.2 hereof, the Company shall be managed solely by the Managers. If more than one Manager is designated at any time, the authority to govern shall be exercised by majority vote of the Managers. John A. Paglia, Jr. and Michael D. Paglia are designated as the Managers. Notwithstanding the foregoing, either Manager





shall be authorized to sign documents on behalf of the Company and otherwise to bind the Company, and every contract, agreement, deed, lease, promissory note, or other instrument or document executed by a Manager shall be conclusive evidence in favor of any and every person relying thereof or claiming thereunder that (i) at the time of execution or delivery thereof, the Company was in full force and effect, (ii) such instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Company and all of its Members, and (iii) the Manager was duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Company.

- 6.2 General Powers. Except for situations in which the approval of the Class A Members or other Persons is expressly required by this Agreement or by nonwaivable provisions of the Act, the Managers shall have full and complete authority, power, and discretion to manage and control the business, affairs, and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. No Member shall have any power or authority to bind the Company unless the Member has been authorized in writing by the Managers to act as Officer or agent of the Company.
- 6.3 <u>Limitations on Authority</u>. The Managers shall not have authority to cause the Company to engage in the following actions (each, a "Major Decision") without first obtaining the unanimous consent of the Class A Members:
  - (a) admitting additional Members;
- (b) amending or restating this Agreement, except that the Managers shall have the authority to amend or restate this Agreement without approval of the Class A Members (i) to cure an ambiguity or to correct or supplement any provision of this Agreement which may be defective or inconsistent with any other provisions of this Agreement; and (ii) to cause the provisions of this Agreement to comply with any applicable legislation, regulation or rule enacted or promulgated;
  - (c) converting or redeeming any Unit;
- (d) authorizing the creation of any different Class of Membership Interest or changing the rights and preferences of any Member other than as set forth in this Agreement;
  - (e) substantially changing the nature of the Company's business;
- (f) except as otherwise provided in Section 6.4 below, removing or appointing any new or additional Manager; or
  - (g) dissolving, merging or liquidating the Company.
- 6.4 <u>Removal. Appointment and Replacement of Managers</u>. Each Manager shall serve until his or her successor shall be duly elected in accordance with this <u>Section 6.4</u>. A Manager may not be removed except by the unanimous vote of the Class A Members; provided, however, a Manager who is also a Class A Member, may be removed for Cause by the vote of the other





Class A Members. Cause exists if the Manager has engaged in fraud, gross negligence, willful misconduct, or an intentional breach of this Agreement or is Disabled. If for any reason, including removal, there is no Person serving as Manager, then a successor Manager or Managers shall be appointed by vote of a Majority of Class A Members.

- 6.5 <u>Liability of the Managers</u>. To the fullest extent provided by law, no Manager and none of such Manager's agents, partners, employees, counsel or affiliates shall be liable, responsible or accountable in damages or otherwise to the Company or any Member for any action taken or the failure to act regarding the management and or policy of the Company.
- 6.6 <u>Duties of the Managers</u>. The Managers shall take all actions that may be reasonably necessary or appropriate for the conduct of the Company's business in accordance with the provisions of this Agreement and applicable laws and regulations. The Managers shall act at all times in good faith and in such manner as may be required to protect and promote the interest of the Company, each other, and the Members. Each Manager shall be required to devote such time to the affairs of the Company as may be necessary to manage and operate the Company.
- 6.7 Officers; Authority to Act for the Company. The Company is not required to have, but the Managers may designate, one or more individuals (who may or may not be Managers) to serve as officers of the Company (an "Officer"). Each Officer shall have the authority to act for and bind the Company, including with respect to the execution and delivery of any document or instrument on behalf of the Company, to the extent, and only to the extent, that the act has been authorized in accordance with the terms and provisions of this Agreement. An Officer is subject to the standard of conduct set forth in the Act. The Managers hereby appoint John A. Paglia as Chairman and Michael D. Paglia as Co-Chairman of the Company. The Managers hereby appoint John A. Paglia III as the President of the Company to assist with the day-to-day management of the Company and to perform such roles and duties as determined by the Managers.
- 6.8 Meetings of Managers. The Managers may hold meetings in such place or places inside or outside the State of Florida as they shall determine from time to time. The Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting. Any action required or permitted to be taken at any meeting of the Managers may be taken without a meeting if all Managers consent thereto in writing.
- 6.9 <u>Indemnification</u>. The Company shall indemnify and hold harmless, to the fullest extent permitted by law, each Member, Manager and Officer (individually, an "<u>Indemnified</u> Party"), as follows:
- (a) The Company shall indemnify and hold harmless, to the fullest extent permitted by law, any Indemnified Party from and against any and all losses, claims, damages, liabilities, expenses (including reasonable legal fees and expenses), judgments, fines, settlements and other amounts ("Indemnified Costs") arising from all claims, demands, actions, suits or proceedings ("Actions"), whether civil, criminal, administrative or investigative, in which the Indemnified Party may be involved, or threatened to be involved, as a party or otherwise arising as a result of such Person's status as a Member, Manager or Officer regardless of whether the





Indemnified Party continues in such capacity at the time any such liability or expense is paid or incurred, and regardless of whether any such Action is brought by a third party, a Member, or by or in the right of the Company; provided, however, that, no Indemnified Party shall be indemnified hereunder for any Indemnified Costs that proximately result from such Person's gross negligence, willful misconduct, material breach of this Agreement, or where indemnification is otherwise prohibited under the Act.

- (b) The Managers may cause the Company to purchase and maintain insurance or other arrangements on behalf of the Indemnified Parties and/or the Company against any liability asserted against any Indemnified Party arising out of the Indemnified Party's status in such capacity regardless of whether the Company would have the power to indemnify the Indemnified Party against that liability under this Section 6.9. This indemnification shall be in addition to any other rights to which the Indemnified Parties may be entitled under any agreement, as a matter of law, or otherwise, and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnified Parties. An Indemnified Party shall not be denied indemnification in whole or in part under this Section 6.9 because the Indemnified Party had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.
- (c) If this <u>Section 6.9</u> or any portion hereof is invalidated on any ground by any court of competent jurisdiction, then the Company nevertheless shall indemnify each Indemnified Party as to any liability incurred or other amounts paid with respect to any proceeding, including, without limitation, a grand jury proceeding and any proceeding by or in the right of the Company, to the fullest extent permitted by any applicable portion of this <u>Section 6.9</u> that shall not have been invalidated by the Act or by any other applicable law.
- 6.10 <u>Compensation of Managers and Officers</u>. No Manager or Officer shall be entitled to compensation for its services in such capacity except pursuant to a written agreement approved by all of the Class A Members. The Company shall reimburse each Manager and Officer for all out-of-pocket expenses reasonably incurred by such person in his or her capacity as a Manager or Officer.

#### ARTICLE 7 MEMBERS

- 7.1 <u>Limitation on Authority and Liability of Members</u>. No Member is an agent of the Company, and no Member has authority to act for the Company. Any Member who takes any action or binds the Company shall be solely responsible for any loss and expense incurred by the Company as a result of the unauthorized action and shall indemnify and hold the Company harmless with respect to any loss or expense occasioned by such action. No Member shall be personally liable for any obligations of the Company, and, except as otherwise provided in <u>Section 3.3</u>, will have no obligation to make Capital Contributions to the Company.
- 7.2 <u>Voting Rights</u>. The Class A Members shall have the right to vote on the matters specifically reserved for Class A Member approval or consent as set forth in this Agreement in accordance with their respective Percentage Interests allocated to their Class A Units. Unless otherwise specifically provided to the contrary herein, the consent or approval of the Class A



Members shall require only the approval of a Majority of Class A Members. The Class B Members shall have no rights to vote on Company matters under the terms of this Agreement. Except as otherwise provided in this Agreement, a Holder of Financial Rights that is not a Member does not have a right to vote by reason of or with respect to such Financial Rights.

- 7.3 Meetings. No annual meeting of Members is required. A meeting of the Members may be called at any time by the Managers or by the vote of a Majority of Class A Members. Regardless of who calls the meeting, notice of the meeting must be given no fewer than ten (10) days nor more than two (2) months before the meeting date. The notice must contain the date and, time and place of the meeting, and it must contain a statement of the purposes of the meeting along with any other information required by the Act. Unless a Majority of Class A Members agree to holding a meeting at another place, all meetings of the Members shall be held at the principal executive office of the Company. A conference among Members by any means of communication through which the participants may simultaneously speak to and hear each other during the conference constitutes attendance at the meeting in person or by proxy if all other requirements for a meeting are met. The Members may waive the notice requirements of this Section 7.3 either before, at or after the meeting.
- 7.4 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Members or Holders may be taken without a meeting. The affirmative vote of the aggregate Percentage Interests of the Class A Members or Holders entitled to vote on a matter or action that would be necessary to authorize or take action at a meeting of Members is the act of the Members or Holders without a meeting. The written consent or consents shall be included by the Managers in the minutes or filed with the Company's records reflecting the action taken. Action taken by written consent is effective when the last Person signs the consent, unless the consent specifies a different effective date. Action may be taken on written consent without the consent of all Members, but no such action on written consent may be taken by the Members unless Notice of the action to be taken is given to the Members prior to the execution of the action on written consent. Failure to give Notice shall render such action void.
- 7.5 Confidentiality: Other Interests. Without the consent of all Class A Members, no Member, Manager or Officer of the Company may, while such person is a Member, Manager or Officer and for a period of three (3) years thereafter, directly or indirectly, own an interest in, or participate in the management or operation of, any entity engaged in a business within the State of Florida that is substantially similar to that conducted by the Company as of the date that this provision is to be tested. The foregoing restriction shall not apply to ownership of any entity that is publicly traded on a securities exchange. Each Member, Manager, and Officer agrees to keep confidential and not disclose to others without the prior approval of the Managers any confidential information of the Company except as may be required by a court of competent authority or as necessary to disclose to attorneys, accountants and other advisors for income tax purposes.
- 7.6 Proxy. A Class A Member may appoint a proxy to vote or otherwise act for him or her pursuant to a written appointment form executed by the Class A Member or the Class A Member's duly authorized attorney-in-fact. An appointment of a proxy is effective when received by the Managers and is valid for 12 months unless otherwise expressly stated in the appointment form.





### ARTICLE 8 ASSIGNMENTS AND TRANSFERS

- 8.1 Restriction on Assignment. No Member, and if applicable, Holder, shall assign his Membership Interest, Financial Rights, or Governance Rights except as expressly permitted in this Article 8. Any attempted assignment of any portion of a Membership Interest, Financial Rights or Governance Rights that does not comply with this Article 8 shall be null and void and have no effect, and the Company shall be under no obligation whatsoever to recognize any such assignment. For purposes of this Article 8, the words "assign" or "assignment" when used in this context shall mean and include any transfer, assignment, alienation, sale, hypothecation, encumbrance, gift of, or any other disposition, whether voluntarily or by operation of law.
- 8.2 Restrictions on the Assignments of Financial Rights. Except as provided in this Section 8.2, no Member or Holder may assign his, her or its Financial Rights without the unanimous written consent of all Class A Members. A Member may assign Financial Rights to a Member or any Immediate Family Member without restriction. If an estate or a trust is a Member or Holder, its Financial Rights may be assigned to another Member or an Immediate Family Member without restriction. No Member or Holder may assign his, her or its Financial Rights to a Person who is not a Member or an Immediate Family Member except in compliance with this Agreement and this Article 8. The Company shall not recognize any assignment in contravention of this Section 8.2, and the assignee shall not be entitled to the rights and privileges of a Member.
- 8.3 <u>Restrictions on Assignments of Membership Interest or Governance Rights.</u>
  Except as otherwise provided in <u>Section 8.4</u> below, no Member may assign his, her or its entire Membership Interest or Governance Rights to a non-Member without the unanimous written consent of all Class A Members.
- Right of First Offer. If any Class A Member desires to sell or assign ("Transfer") 8 4 all or any part of his Class A Units, or the Governance Rights associated therewith (the "Offered Units"), to any other Person other than an existing Class A Member, such Member (the "Transferring Member") shall notify the other Class A Members in writing of such desire. The other Class A Members shall have thirty (30) days after receipt of such written notice to notify the Transferring Member in writing (the "Acceptance Notice") of his or her intention to purchase a pro rata share of the Offered Units for the Purchase Price (hereafter defined). The purchase price (the "Purchase Price") for the Offered Units to be purchased (the "Purchased Units") shall be equal to the Percentage Interest allocable to the Purchased Units multiplied by the fair market value of the Company ("Fair Market Value") as of the date of the Acceptance Notice. The Fair Market Value shall be an amount determined by multiplying six (6) times the trailing twelve month EBITDA of the Company, less liabilities of the company (other than current accounts payable and amounts due within 12 months of the determination date), plus the value of real estate owned by the Company. The value of the Company's real estate shall be determined by a qualified appraiser of Florida real property selected by the Transferring Member and the purchasing Class A Member(s). If such Members are unable to agree on the selection of an appraiser, each shall select a qualified appraiser, and the two selected appraisers shall select a third appraiser who shall perform the appraisal and whose determination shall be binding on the parties. The cost of determining the Fair Market Value of the Company shall be shared equally by the Transferring Member and the purchasing Class A Members. The closing for the Purchased Units shall take





place within thirty (30) days after the Purchase Price is finally determined. At the closing, each purchasing Class A Member shall pay 10% of the Purchase Price for the portion of the Offered Units being purchased by such Class A Member in immediately available funds with the balance of the Purchase Price to be evidenced by a promissory note executed by the purchasing Class A Member and his spouse, bearing interest at a per annum rate which is one percent (1%) greater than the then Applicable Federal Rate (as determined under the Code), and payable in equal monthly payments of principal and interest over a term of ten (10) years or such shorter period as the purchasing Class A Members shall agree. If the non-Transferring Member(s) do not notify the Transferring Member of their intention to purchase all of the Offered Units within the 30-day period, the Transferring Member shall be free to Transfer the remainder of such Offered Units, at any time within sixty (60) days after the expiration of the 30-day period to a Person who, upon closing the purchase, shall be deemed approved as a substituted Class A Member of the Company and, upon satisfying the conditions of Section 8.6 (b), (c) and (d), shall be admitted as a substituted Class A Member. If the Offered Units are not sold in accordance with the terms of this Section 8.4, the Offered Units shall again become subject to all of the conditions and restrictions of this Section 8.4.

- Death or Disability of a Class A Member. The termination of a Member's 8 5 Membership Interest in the Company, by death or otherwise, shall not cause the dissolution of the Company. Upon the death or Disability of a Class A Member (the "Withdrawn Member"), the guardian or personal representative of the Withdrawn Member shall have all rights of the Withdrawn Member with respect to the Class A Units owned by the Withdrawn Member as of the date of death or determination of Disability. After the administration of the estate of a Withdrawn Member is concluded, upon compliance with the requirements of Section 8.6 (b), (c) and (d) below, the beneficiaries of the Class A Units under such estate shall become Substituted Members with respect to the Class A Units previously owned by the Withdrawn Member. Provided, however, if Michael D. Paglia is the Withdrawn Member, any remaining Class A Member who is John A Paglia, Jr. or one of his lineal descendants shall have an option to buy (the "Purchase Option") all of the Class A Units owned by Michael D. Paglia at the time of his death or determination of Disability in such proportion as they shall agree among themselves for a Purchase Price and on payment terms determined in accordance with Section 8.4 above. This Purchase Option may be exercised by thirty (30) days' advance written notice to the guardian, personal representative, or heirs of Michael D. Paglia's Class A Units, as appropriate, at any time after the death or determination of Disability of Michael D. Paglia. If applicable, the Managers shall amend the Organizational Documents to reflect the changes resulting from any death or Disability.
- 8.6 <u>Admission of Substituted Member</u>. A Person shall not be admitted as a Substituted Member until all of the following requirements have been met:
  - (a) The written approval of all Class A Members is obtained;
- (b) The Person elects to become a Substituted Member by delivering a written notice of such election to the Managers;
- (c) The Person executes and acknowledges such other instruments as the Managers may deem necessary or advisable to effect the admission of such Person; and





(d) The Person pays a transfer fee to cover all reasonable expenses connected with the admission of such Person as a Substituted Member, unless such fee is waived by the unanimous consent of all Class A Members.

Upon satisfaction of the above requirements, the Managers will take all steps that are reasonable and necessary to admit such Person as a Substituted Member, including an amendment to the Organizational Documents, with such admission to be effective no later than sixty (60) days after approval.

8.7. <u>Drag-Along Rights</u>. If all of the Class A Members agree to sell all of their Membership Interests to a Person other than an affiliate or Immediate Family Member of a Class A Member, then at the request of the Class A Members, each Class B Member agrees to include in such sale all of their respective Membership Interests. If the Class A Members exercise the option under this <u>Section 8.7</u>, then the sale of the Membership Interests of each of the Class B Members shall be for the same type of consideration and on the same terms and conditions to which the Class A Members have agreed with such transferee except that the Class B Units shall be subject to a reasonable discount for lack of control. For purposes of the preceding sentence, "consideration" shall include any and all property received or to be received by the Class A Members as a result of a transfer of their Class A Units. including, but not limited to, cash, notes, securities, and any other property, and excluding any consideration to be received by the Class A Members that is not specifically attributable to their Membership Interests such as reasonable compensation to be paid to any Class A Member for services to be actually performed by such Class a Member after the sale.

The Class A Members may exercise the option under this Section 8.7 by delivery to the Class B Members of written notice (the "Inclusion Notice") of any sale to be made pursuant to this Section 8.7, which notice shall set forth the consideration to be paid by the purchaser of the Class A Units and the other terms and conditions of such transaction, including the terms of agreement to be entered into by any Class A Member as a result of such transaction that will not be entered into by the Class B Members. If, within 180 days after the date of the Inclusion Notice, no transfer of Class A Units has been completed in accordance with the provisions of this Section 8.7, the option of the Class A Members to include the Membership Interests of the Class B Members other Interest Holders for the offer specified in the Inclusion Notice shall expire, and the Class B Members shall again be subject to the option of the Class A Members set forth in this Section 8.7.

### ARTICLE 9 ACCOUNTS

- 9.1 Books. The Managers shall maintain or cause to be maintained complete and accurate books of account of the Company's affairs at the Company's principal office, including a list of the names and addresses of all Members and the aggregate Capital Contributions of each Member. Each Member shall have the right to inspect the Company's books and records at any reasonable time upon advance written request to the Managers.
  - 9.2 Reports. Returns and Audits. The Managers will make available to each Member:



- (a) within 120 days after the end of each Fiscal Year, unless the tax returns are extended in such case by such the date of such extension, an Internal Revenue Service Schedule K-1 with respect to such Member; and
- (b) within 120 days after the end of each Fiscal Year, a consolidated balance sheet of the Company as at the end of such Fiscal Year and statements of income and cash flow of the Company for such Fiscal Year.
- 9.3 Method of Accounting. The books and accounts of the Company shall be maintained for both financial reporting and tax purposes using the accrual method of accounting unless otherwise changed by the Managers.
- 9.4 <u>Bank Accounts</u>. All funds of the Company will be deposited in its name in an account or accounts maintained with such bank or banks selected by the Managers. The funds of the Company will not be commingled with the funds of any other Person.

### ARTICLE 10 DISSOLUTION OF THE COMPANY

- 10.1 <u>Dissolution</u>. Subject to the Act, the Company shall dissolve and commence winding up its affairs upon the unanimous written consent of the Class A Members.
- 10.2 <u>Dissolution and Winding Up the Affairs</u>. Upon dissolution of the Company, the Managers shall be responsible for overseeing the winding up, liquidation and termination of the Company and shall prepare and file all instruments or documents required by law to be filed to reflect the dissolution and termination of the Company; and, after paying or providing for the payment of all liabilities and obligations of the Company, shall sell or distribute the assets of the Company as provided by the terms of this Agreement. If there shall be no Manager, a Majority of Class A Members shall elect a Person to wind up the affairs of the Company.
- 10.3 <u>Distribution Upon Dissolution</u>. Upon dissolution of the Company, the Company shall either distribute its assets or sell its assets and distribute the proceeds. The proceeds of such sale or the assets of the Company shall be allocated as set forth below:
- (a) First, to all creditors, including Members and Holders of Financial Rights who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provisions for payment thereof) other than liabilities for which reasonable provision for payment has been made and liabilities for Distributions to Members and Holders of Financial Rights;
- (b) Second, to establish such reserves for unknown or contingent liabilities, including without limitation reserves for environmental matters as the Managers may determine;
- (c) Third, to each of the Members and Holders of Financial Rights an amount equal to his positive Capital Account balance as of the date of dissolution, after giving effect to the allocation of all Profits or Losses realized upon dissolution or, in the event assets are to be distributed in kind, which would be realized if such were assets then sold; and



(d) Fourth, to each of the members and Holders of Financial Rights an amount equal to the remaining assets in proportion to their respective Percentage Interest. In the event any assets are to be distributed in kind, then, in such event, such assets shall be distributed in an amount equal to the amount which would be realized if such assets were then sold.

Notwithstanding the foregoing, if the Managers determine that an immediate sale of (or distribution in kind of) part or all of the Company's assets would result in undue loss, or it would otherwise be materially beneficial to continue to hold such assets, then, in order to avoid such loss or to obtain such material benefit, and to the extent not then prohibited by applicable law, the liquidation and winding up of the Company may be temporarily deferred or such time as is reasonable.

- 10.4 <u>Filing of Articles of Termination</u>. Upon the completion of the winding up of the affairs of the Company, the Managers shall promptly file Articles of Termination with the office of the Florida Secretary of State.
- 10.5 <u>Liability for Return of Capital Contributions</u>. Each Member, by its execution of this Agreement, agrees that liability for the return of its Capital Contribution is limited to the Company's assets and, in the event of an insufficiency of such assets to return the amount of its Capital Contribution, hereby waives any and all claims whatsoever, including any claim for additional contributions that it might otherwise have, against the Company or any of its agents or representatives (in each case in the absence of conviction of fraud or willful misconduct and a judicial determination that such insufficiency was caused by such fraud or willful misconduct) by reason thereof. Each Member shall look solely to the assets of the Company for all distributions with respect to the Company and its Capital Contribution thereto, and shall have no recourse therefor (upon dissolution or otherwise) against the Company or any of its agents or representatives.
- 10.6 <u>Resignation or Withdrawal of a Member</u>. No Member or Holder has any right or power to resign or otherwise withdraw from the Company for any reason.

### ARTICLE 11 MISCELLANEOUS

- 11.1 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be deemed duly given or made (a) when personally delivered to the intended recipient (or an officer of the intended recipient) or when sent by telecopy or facsimile followed by the mailing of a copy as set forth in clause (b) or (c) below; (b) on the business day after the date sent when sent by national recognized overnight courier service; or (c) four business days after it is sent by registered or certified mail, return receipt requested, postage prepaid if to the Company, to its address set forth in Section 2.5, and if to any Member, to the address set forth in Schedule A as the case may be. Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties notice in the manner herein set forth.
- 11.2 <u>Amendments</u>. This Agreement may be amended only with the written consent of all of the Class A Members. Notwithstanding Section 605.04073(2)(e) of the Act, no Class B





Member shall be required to consent to or execute an amendment of the Operating Agreement. The Managers shall send each Member a copy of any amendment adopted pursuant to this <u>Section 11.2</u>. The Managers may at any time restate <u>Schedule A</u> to reflect changes in Members or their respective addresses, Capital Contributions, Percentage Interests and Membership Interests.

- 11.3 <u>Entire Agreement</u>. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and supersedes any prior agreement or understanding among the parties hereto with respect to the subject matter hereof.
- Governing Law; Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida, without regard to principles of conflicts of law that would result in the application of laws of another jurisdiction. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought against either of the parties exclusively in the courts of the State of Florida, County of Marion, or if it has or can acquire jurisdiction, in the United States District Court for the Middle District of Florida, Orlando Division, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.
- Members would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the nonbreaching Members may be entitled, at law or in equity, the nonbreaching Members shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and specifically to enforce the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction thereof.
- 11.6 <u>Waiver of Jury Trial</u>. The Managers and each Member irrevocably waives to the extent permitted by law all rights to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.
- 11.7 <u>Remedies Cumulative</u>. The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any person may be lawfully entitled.
- Members or among the Members results in litigation or arbitration, the prevailing party in such dispute shall be entitled to recover from the other party all reasonable fees, costs and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorney fees and costs incurred in enforcing such judgment and an award of prejudgment interest from the date of the breach at the maximum rate of interest allowed by law. For the purposes of this Section 11.8: (a) attorney fees shall include, without limitation, fees incurred in the following: (1) post judgment motions; (2) contempt proceedings; (3) garnishment, levy, and debtor and third party examinations; (4) discovery; and (5) bankruptcy litigation and (b) prevailing party shall mean the





party who is determined in the proceeding to have prevailed or who prevails by dismissal, default or otherwise.

- 11.9 <u>Binding Effect</u>. Except as otherwise provided herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, heirs, successors and assigns.
- 11.10 Construction of Agreement. In construing this Agreement, no consideration shall be given to the fact or presumption that any Member had a greater or lesser hand in the drafting of this Agreement. In the event of any conflict between the provisions of the Act and the provisions of the Articles or this Agreement, the Articles or Agreement shall control. In the event of a conflict between the terms of this Agreement and the terms of the Articles, the Articles shall prevail. To the extent that any express provisions in the Articles or in this Agreement are inconsistent with or in contradiction of any provisions of the Act that are, by provisions of the articles of organization and/or the operating agreement of a limited liability company, waivable or subject to alteration or modification under the Act, such provisions of the Act are hereby waived (rendered inapplicable), modified and altered to the extent necessary to give full effect to the express provisions of the Articles and this Agreement.
- 11.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which together shall constitute one instrument.
- 11.12 <u>Separability</u>. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
- 11.13 <u>Headings</u>; <u>Construction</u>. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. Unless otherwise indicated, all references to "<u>Section</u>" or "<u>Sections</u>" refer to the corresponding Section of Sections of this Agreement. Unless otherwise provided, the word "including" does not limit the preceding words or terms.
- 11.14 <u>Gender and Number</u>. Whenever required by the context hereof, all pronouns and any variations thereof will be deemed to refer to the masculine, feminine and neuter, singular and plural.
- 11.15 No Third-Party Beneficiaries. Nothing in this Agreement is intended to, or will, create any rights to any party other than a party that is a signatory hereto or who becomes an Additional Member pursuant to Section 3.7 hereof.
- 11.16 Partnership Representative. Michael D. Paglia shall serve as the "Partnership Representative," as such term is defined in Section 6223 of the Code. If Michael D. Paglia is unable or unwilling to serve as Partnership Representative for any reason, a successor Partnership Representative shall be elected by a Majority of Class A Members. The Partnership Representative shall instruct the Company's tax return preparer to elect-out of the centralized partnership audit



regime each year on a timely-filed federal income tax return for the Company in accordance with Section 6221(b) of the Code and subject to other requirements and limitations that may apply. If a timely election is not effective with respect to any applicable tax year, each Member acknowledges that the Partnership Representative is empowered with the authority to exercise all rights granted to him or her under the Code in his discretion. Each Member hereby waives, releases, and agrees not to sue the Partnership Representative or any of the Partnership Representative's affiliates or agents for damages in respect of any claim in connection with, arising out of, or in any way related to, the Partnership Representative's duties under this Agreement, except for acts of gross negligence, willful misconduct, criminal misconduct, or fraud. The Company shall indemnify, hold harmless, and advance expenses to the Partnership Representative in respect of any and all claims, damages, liabilities, costs (including, without limitation, the costs of litigation and reasonable attorney's fees and expenses), and causes of action arising out of, resulting from, or attributable, in whole or in part, to the Partnership Representative's actions and decisions in her conduct as Partnership Representative for the Company, to the fullest extent allowed by applicable law, except in cases in which the Partnership Representative's conduct is finally determined by a court of competent jurisdiction to have constituted gross negligence, willful misconduct, criminal misconduct, or fraud.

- 11.17 Tax Consequences. The Members are aware of the income tax consequences of the tax allocations made under this Agreement and hereby agree to be bound by the provisions of this Agreement in reporting their share of the Company's Profit and Loss for federal income tax purposes. Each Member acknowledges that neither the Company, the Managers, the Members, nor the affiliates of any of them will be responsible or liable for the tax consequences to him or her of an investment in the Company.
- 11.18 <u>Further Action</u>. Each Member shall execute and deliver such papers, documents and instruments, and perform such acts as are necessary or appropriate to implement the terms hereof and the intent of the Members hereto.

[Signatures on the following page.]



The parties hereto have executed this Agreement as their act and deed, either directly or by an attorney-in-fact, to be effective as of the day and year first above written.

CLASS A MEMBERS:	ů
By: Michael D. Paglia as Trustee	7
John A. Paglia, Jr.	
CLASS B MEMBERS:	
Vivian McIntyre	Diane M. Carrizzo
Anthony Paglia	Dominic Francis Carrizzo
	John Anthony Paglia, III
Christopher John Carrizzo  MincentyMichael Faglia	Dianna Woodall
Danielle M. Hartman	Lauren N. Diamantas
Marissa Lapshin	Kristen Lynn Hinshaw

# SCHEDULE A MEMBERS, ISSUED UNITS, AND PERCENTAGE INTERESTS

MEMBER	PERCENTAGE INTEREST	ISSUED UNITS	ADDRESS
CLASS A:			
John A. Paglia, Jr.	45.457500%	45.4575	
Michael D. Paglia, as Trustee	45.457500%	45.4575	
CLASS B:			
John A. Paglia III	2.194000%	2.194	
Diane Carrizzo	1.850000%	1.850	
Vivian D. McIntyre	1.747000%	1.747	
Vincent Paglia	0.366000%	.366	
Christopher John Carrizzo	0.366000%	.366	
Dominic Carrizzo	0.366000%	.366	
Dianna Woodall	0.366000%	.366	
Kristen Hinshaw	0.366000%	.366	
Anthony M. Paglia	0.366000%	.366	
Lauren N. Diamantas	0.366000%	.366	
Danielle M. Hartman	0.366000%	.366	
Marissa Lapshin	0.366000%	.366	
TOTAL	100.00%	100.00	



### SCHEDULE B REGULATORY ALLOCATIONS

For purposes of this Schedule B, the following definitions shall be applicable.

"Adjusted Capital Account Deficit" means with respect to any Member or Holder, the deficit balance, if any, in such Member's or Holder's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

- (a) Credit to such Capital Account any amounts which such Member or Holder is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5); and
- (b) Debit to such Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Company Minimum Gain" has the meaning assigned to it in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Depreciation" means for each Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset 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 Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such fiscal year or other period bears to such beginning adjusted tax basis. Notwithstanding the foregoing, if an asset has a zero basis for federal income tax purposes, depreciation shall be an amount in each month equal to such asset's Gross Asset Value divided by the number of months in such asset's cost recovery period as determined for federal income tax purposes.

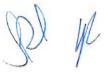
"Gross Asset Value," means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

- (a) The initial Gross Asset Value of any asset contributed by a Member or Holder of the Company shall be the gross fair market value of such asset, as determined by the contributing Member of the Company and the Manager;
- (b) The Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager:
- (i) Upon the acquisition of an additional interest in the Company by any new or existing Member or Holder in exchange for more than a *de minimis* capital contribution to the Company;

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- (ii) Upon the Distribution by the Company to a Member or Holder of more than a de minimis amount of property as consideration for an interest in the Company if the Manager reasonably determines that such an adjustment is necessary or appropriate to reflect the relative economic interest of the Members and Holders in the Company; and
- (iii) Upon the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g);
- (iv) The Gross Asset Value of any Company asset distributed to any Member or Holder shall be the gross fair market value of such asset on the date of Distribution as determined by the Member or Holder to whom the asset is distributed and the Manager on behalf of the Company; and
- (v) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and in accordance with this Agreement; provided, however that Gross Asset Values shall not be adjusted pursuant to this subsection to the extent that the Manager determines that an adjustment pursuant to (ii) above is not necessary or appropriate in connection with the transaction that would otherwise result in an adjustment
- (c) If the Gross Asset Value of an asset has been determined or adjusted pursuant to (a), (b) or (c) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.
- "Member Nonrecourse Deductions" means any Company deductions that would be Nonrecourse Deductions if they were not attributable to a loan made or guaranteed by a Member or Holder within the meaning of Treasury Regulations Section 1.704-2(i).
- "Member Nonrecourse Debt Minimum Gain" shall have the meaning set forth in Treasury Regulations Section 1.704-2(i).
- "Member Nonrecourse Debt" shall have the meaning set forth in Treasury Regulations Section 1.704-2(i)(2).
- "Minimum Gain" shall have the meaning set forth in Treasury Regulations Section 1.704-2(d).
- "Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Section 1.704- 2(b)(1).
- "Nonrecourse Liability" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).



The following are the Regulatory Allocations to be made:

- l. Losses: The Losses allocated pursuant to the Agreement shall not exceed the maximum amount of Net Losses that can be so allocated without causing any Member or Holder to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of the Members or Holders would have Adjusted Capital Account Deficits as a consequence of an allocation of Net Losses pursuant to the general provisions of the Agreement, then the limitation set forth in this paragraph shall be applied on a Member by Member and Holder by Holder basis so as to allocate the maximum permissible Net Losses to each Member under Treasury Regulations Section 1.704-1(b)(2)(ii)(d). All Net Losses in excess of the limitations set forth in this paragraph shall be allocated as generally provided in the Agreement.
- 2. <u>Special Allocations</u>. The following special allocations shall be made in the following order:
- (a) Minimum Gain Chargeback. Notwithstanding any other provision of the Agreement, if there is a net decrease in Company Minimum Gain during any Company Fiscal Year, each Member or Holder who would otherwise have an Adjusted Capital Account Deficit at the end of such year shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(g). This provision is intended to comply with the minimum gain chargeback requirement in such section of the regulations and shall be interpreted consistently therewith.
- (b) Member Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of the Agreement, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company Fiscal Year, each Person who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Person's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member or Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This provision is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.
- (c) Qualified Income Offset. In the event any Member or Holder unexpectedly receives any adjustments, allocations, or Distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to each such Member or Holder in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member or Holder as quickly as possible, provided that an



allocation pursuant to this paragraph shall be made if and only to the extent that such Member or Holder would have an Adjusted Capital Account Deficit after all other allocations provided for in the Agreement have been tentatively made as if this paragraph were not in the Agreement.

- (d) Gross Income Allocation. In the event any Member or Holder has a deficit Capital Account at the end of any Company Fiscal Year that is in excess of the sum of (i) the amount such Member or Holder is obligated to restore, (ii) the amount such Member or Holder is deemed to be obligated to restore pursuant to the penultimate sentence of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), and (iii) the amount such Member or Holder would be deemed obligated to restore if Member Nonrecourse Deductions were treated as Nonrecourse Deductions, each such Member or Holder shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this paragraph shall be made if and only to the extent that such Member or Holder would have a deficit Capital Account in excess of such sum after all other allocations provided for in the Agreement have been tentatively made as if paragraph and the Qualified Income Offset were not in the Agreement.
- (e) <u>Nonrecourse Deductions</u>. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Members and Holders as set forth above.
- (f) <u>Member Nonrecourse Deductions</u>. Any Member Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Member or Holder who bears the risk of loss with respect to the loan to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).
- (g) Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to 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 of 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 decreases such basis) and such gain or loss shall be specially allocated to the Members or Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.
- (h) Section 704(c). In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members or Holders so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial book value. In the event the book value of any Company asset is adjusted pursuant to this section of the Agreement, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its book value in the same.



#### APPLICATION FOR REGISTRATION OF FICTITIOUS NAME

REGISTRATION# G23000149845

Fictitious Name to be Registered: FLORIDA EXPRESS WASTE & RECYCLING

Mailing Address of Business:

P.O. BOX 5058 OCALA, FL 34478

Florida County of Principal Place of Business: MARION

FEI Number:

FILED Dec 11, 2023 Secretary of State

Owner(s) of Fictitious Name:

FLORIDA EXPRESS ENVIRONMENTAL, LLC 460 NW 52ND AVENUE OCALA, FL 34482 US Florida Document Number: L01000004907 FEI Number: 59-3707853

I the undersigned, being an owner in the above fictitious name, certify that the information indicated on this form is true and accurate. I further certify that the fictitious name to be registered has been advertised at least once in a newspaper as defined in Chapter 50, Florida Statutes, in the county where the principal place of business is located. I understand that the electronic signature below shall have the same legal effect as if made under oath and I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s. 817.155, Florida Statutes.

MICHAEL D. PAGLIA

12/11/2023

Electronic Signature(s)

Date

Certificate of Status Requested ( )

Certified Copy Requested (X)

#### Transferee Details

#### Part III - Personal Information

Fill out the following information for each applicant, including corporate or partnership applicants:

1.	Transferee/Business Name Waste C	onnections - see their application
2.	Transferee/Business Owner(s)	onnections - see their application  That was submitted to marion Count
	Contact Person, Local Manager (if differen	17 AMR 55/V 40:
4.	Address:	
6.	Business Phone:	7. Social Security:
8.	Tax ID#:	9. Date of Birth:
10.	Any criminal convictions or charges to who contest, adjudication of guilt withheld or a	nich the applicant has pled <i>nolo contendere</i> , no any charge pending:
	YES	NO NO
	If yes, explain:	

#### Part IV - Transferee/Corporation/Partnership Information

List all experience in the garbage collection, removal or disposal business including:

1. Name of Business
Years of Operation
Location of Business
Has this business ever been revoked or suspended? YES NO
If yes, explain:
2. Name of Business
Years of Operation
Location of Business
Has this business ever been revoked or suspended? YES NO
If yes, explain:
If necessary, attach additional business information on a separate sheet.

SS

#### Part V - Equipment List

.对那位1克	MAKE	MODEL	IDENTIFICATION #
1			
2			
3			
4			
5			

Attach separate sheet for additional equipment if needed.

If equipment is to be acquired contingent upon granting of the franchise, the applicant shall provide copies of the contracts and documentation showing the financial capability of the applicant and the source of the funds to complete the transaction. The number of customers shall also be provided.

#### Part VI - Transferee Attachments

The following steps need to be taken and the information attached to the application:

- A statement detailing why a transfer is contemplated, the nature of the transfer (for example sale, assignment, etc.) and setting forth reasons why the Board should approve same.
- 2. A full set of fingerprints of the person(s) required to submit personal information pursuant to Part I above.
- Current audited financial statement or, if no audited statement is available, other financial documentation showing current assets sufficient to operate the proposedd franchise.
- 4. Insurance Information:
  - Workman's compensation coverages required by law.
  - b) Motor vehicle liability coverage of not less than:
    - i) Business Auto Liability. Business Auto Liability shall be provided by the Franchise Hauler with combined single limits of not less than \$1,000,000 per occurrence and is to include bodily injury and property damage liability arising out of the operation, maintenance or use of any auto, including owned, non-owned and hired automobiles and employee non-ownership use.
  - c) General Liability insurance, with combined single limits of not less than \$1,000,000 per occurrence shall be provided and maintained by the Franchise Hauler. The only aggregate limit acceptable is a "project aggregate" and the Certificate must show an appropriate endorsement (ISO CG2501) or equal
    - If the Commercial General Liability form is used:
      - Coverage A shall include premises, operations, products and completed operation, independent contractors, contractual liability covering this contract and broad form property damage coverages.
      - Coverage B shall include personal injury.
      - 3) Coverage C, medical payments, is not required.
    - ii) If the Comprehensive General Liability form is used, it shall include, at least Bodily injury and Property damage liability for premises, operations, products and completed operations, independent contractors, and property damage resulting from explosion, collapse or underground (XCU) exposures.

For General liability insurance, the County shall be named as an additional insured. The franchisee shall annually provide the County with proof of insurance.

TRANSFEROR Florida Express Environmental, LLC DBA Florida Express Waste Recycling << INSERT BUSNIESS TRANSFEROR NAME>>
By: John A. Paglia Tr. SINSERT NAMES
Its: <insert titile=""> Date: 10/29/3.5</insert>
STATE OF FLORIDA COUNTY OF Marion
The foregoing instrument was acknowledged before me by means of Dephysical presence or online notarization, this 39 th day of October, 2020, by <insert name="">, as <insert titile=""> of <insert business="" name="" transferor="">  (SEAL)  Notary Public, State of Florida  Recycling</insert></insert></insert>
Personally Known OR Produced Identification  Type of Identification Produced:  DIANE M. CARRIZZO Notary Public - State of Florida Commission # HH 345533 My Comm. Expires Apr 25, 2027 Bonded through National Notary Assn.
TRANSFEREE
< <insert busniess="" name="" transferee="">&gt;</insert>
By:
Its: <insert title=""></insert>
Date:
STATE OF FLORIDA COUNTY OF
The foregoing instrument was acknowledged before me by means of ⊠ physical presence or □ online notarization, this day of, 2020, by <insert name="">, as <insert title=""> of <insert name="" transferee=""> (SEAL)</insert></insert></insert>
Notary Public, State of Florida
Personally Known OR
Produced Identification  Type of Identification Produced: