

LIMITED LIABILITY COMPANY AGREEMENT
OF
INVESTMENT RECOVERY PARTNERS, LLC
(A DELAWARE LIMITED LIABILITY COMPANY)

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EXHIBIT A..... MEMBERS, CAPITAL CONTRIBUTIONS AND SHARING RATIOS

Addendum: Dated October, 2009

LIMITED LIABILITY COMPANY AGREEMENT
OF
INVESTMENT RECOVERY PARTNERS, LLC
(A DELAWARE LIMITED LIABILITY COMPANY)

THIS LIMITED LIABILITY COMPANY AGREEMENT of Investment Recovery Partners, LLC is dated effective as of January 18, 2006, and is adopted by the Manager and entered into, by and between the Manager and the Members.

ARTICLE 1 DEFINITIONS

Section 1.1 **Capitalized Terms.** Capitalized terms used throughout this Agreement shall have the meanings set forth in this Article 1, unless otherwise indicated by the context. Other terms defined in other Articles or Sections of this Agreement shall have the meanings attributed to such terms as set forth in those other Articles or Sections, and such defined terms shall have the same effect as though they were set forth in this Article 1.

Section 1.2 **Definitions.** As used in this Agreement, the following terms shall have the meanings ascribed below:

- (a) “Act” means the Delaware Limited Liability Company Act, as amended from time to time.
- (b) “Affiliate” means, as to any (“first”) Person, every other Person directly or indirectly owning, controlling or holding with power to vote a majority of the outstanding voting securities or partnership interests of the first Person; or every other Person, the majority of whose outstanding voting securities or partnership interests are directly or indirectly owned, controlled or held with power to vote by the first Person; or every other Person, directly or indirectly controlling, controlled by or under common control with the first Person; if such first Person is a partnership, any general partner of such partnership or other partner owning or controlling a majority of such partnership; or, if such first Person is any officer, director, or general partner, any Person for which such first Person acts in such capacity.
- (c) “Agreement” means this Limited Liability Company Agreement.
- (d) “Articles” means the Articles of Organization of the Company, filed on or about January 10, 2006, in a form as permitted by the Act.
- (e) “Capital Contribution” means, initially, the amount of cash that a Person has agreed to pay to the Company for a Membership Interest as a condition of admittance by that Person to the Company, and shall, thereafter, mean those amounts of cash that a Person contributes to the Company pursuant to requests by the Manager. Each Member’s initial Capital Contribution is set forth on Exhibit A.

(f) “Code” means the Internal Revenue Code of 1986, as amended. References to a particular section of the Code include that section, or any successor section to the referenced section.

(g) “Company” means Investment Recovery Partners, LLC.

(h) “Delinquent Contribution” shall have the meaning ascribed thereto in Section 4.3.

(i) “Delinquent Member” means a Member that has failed to make a Capital Contribution when required.

(j) “Disposition” means a sale, assignment, transfer, conveyance, gift, exchange or other disposition (voluntarily, involuntarily or by operation of law), or in the case of a Member which is a corporation or other legally recognized entity by a sale of a controlling interest in and to the equity of that corporation or other legally recognized entity.

(k) “Majority Interest” means a majority of all Sharing Ratios; provided, however, that “Majority Interest” shall mean, in the event there are only two Members, each with equal Sharing Ratios, 100% of all Sharing Ratios.

(l) “Manager” means any Person to whom the Members have agreed are the Persons empowered to conduct the business and affairs of the Company and shall exercise the rights and powers of the Company, acting through the Manager, and who shall initially are the Persons executing this Agreement in that capacity.

(m) “Member” means a Person executing this Agreement as of the date hereof as a member of the Company and each Person hereafter admitted to the Company as a Member in accordance with this Agreement. Initially, there shall only be one Member, subscribing this Agreement in such capacity, and, accordingly, all references to Members, until the admission of another Member, shall be deemed to be a reference to the single Member.

(n) “Membership Interest” means a Member’s interest in the Company, which may be evidenced by an Interest Certificate (herein so called), issued by the Company, and which, among other things, shall set forth a Member’s Membership Interest, and shall bear a legend to the effect that the Membership Interest represented by the Interest Certificate are issued pursuant and subject to the terms and conditions of this Agreement.

(o) “Net Cash Flow” means all cash funds paid to, or other income of, the Company, without reduction for any non-cash charges, but less cash used to pay current operating expenses, debt payments, capital improvements, replacements and establish reasonable reserves for future expenses and costs as determined by the Manager.

(p) “Officer” means any Person appointed by the Manager to act in the capacity as President or a Vice President of the Company.

(q) “Person” means an individual, trustee acting as a trustee of a trust, a corporation, limited partnership, general partnership or any entity capable of entering into contractual relationships.

(r) “Proceeding” means any threatened, pending or completed action, suit or proceeding, whether at law, in equity or before any other tribunal or board.

(s) “Sharing Ratio” means a Member’s Membership Interest, expressed as a percentage. Each Member’s Sharing Ratio is set forth on Exhibit A.

(t) “Sole Discretion” means an action undertaken by a Person in his, her or its sole and absolute discretion, with or without cause, and subject to such conditions as he, she or it may then deem appropriate.

(u) “Tax Matters Member” means the person designated to act in such capacity by the Manager, acting in his, her or its capacity as a “tax matters partner” pursuant to Code Section 6231(a)(7).

ARTICLE 2 ORGANIZATION

Section 2.1 **Formation.** The Company has been organized as an Delaware limited liability company by the filing of the Articles under and pursuant to the Act.

Section 2.2 **Name.** The name of the Company is “Investment Recovery Partners, LLC.”

Section 2.3 **Registered Office; Registered Agent; Offices.** The registered office and registered agent of the Company in the State of Delaware shall be as specified in the Articles or as designated by the Manager in the manner provided by applicable law. The principal place of business of the Company shall be at an address designated by the Manager, and the Manager, may, but shall not be obligated to, designate any other place of business as a subsidiary office.

Section 2.4 **Purposes.** The purposes of the Company are to engage in and transact any and all lawful business for which limited liability companies may be organized under the Act, to own, lease, rent and hold real and personal property as may be useful to, or necessary for, the successful operation of its activities and to engage in any other business or activity that now or hereafter may be necessary, incidental, proper, advisable or convenient to accomplish the foregoing purposes (including obtaining financing therefor) and that is not forbidden by the law of the jurisdiction in which the Company engages in that business.

Section 2.5 **Foreign Qualification.** Before the Company conducts business in any jurisdiction other than Delaware, the Manager shall qualify the Company as a foreign limited liability company in that jurisdiction.

Section 2.6 **Term.** The Company commenced on the effective date of the Articles and shall have a perpetual existence, unless and until it is dissolved in accordance with Article 9.

Section 2.7 **No State Law Partnership.** The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member or Manager

be a partner or joint venturer of any other Member or Manager, for any purposes other than applicable tax laws, and this Agreement may not be construed to suggest otherwise.

Section 2.8 ***Agreement as Regulations.*** This Agreement is intended to serve as the governing agreement of the Company as described in the Act.

ARTICLE 3 MEMBERSHIP; DISPOSITION OF INTERESTS

Section 3.1 ***Members.*** The Members have executed this Agreement as of the date hereof and have been admitted to the Company as Members effective upon such date, even though one or more Members may have executed this Agreement on a later date.

Section 3.2 ***Dispositions of Membership Interest.*** A Member may not make a Disposition of all or any portion of that Member's Membership Interest, other than by a Disposition resulting from the death of such Member, except with the consent of the Manager. Any attempted Disposition of all or any portion of a Membership Interest, other than in strict accordance with this Section 3.2, shall be null and void *ab initio*. A transferee of all or any part of Membership Interest (including as a result of the death of a Member) may be admitted to the Company as a Member only at the Sole Discretion of the Manager. Before making a Disposition (other than an involuntary Disposition upon the death of a Member), the Member proposing to make the Distribution shall first provide the Manager with reasonably complete details in respect thereto, and the Manager may, as a condition of approving the Disposition and the admission of the transferee of such Member, may require that the Member provide a legal opinion from counsel acceptable to the Manager that the Disposition complies with applicable federal and state securities laws, and that the Disposition will not result in the Company's termination under Section 708 of the Code. Furthermore, in connection with any Disposition of a Membership Interest or any portion thereof, and any admission of a transferee as a Member, the Member making such Disposition and the transferee shall furnish the Manager with such documents regarding the Disposition as the Manager may request (in form and substance satisfactory to the Manager or the counsel to the Manager), including a copy of the Disposition instrument, and a ratification by the transferee of this Agreement, if the transferee is to be admitted as a Member.

Section 3.3 ***Encumbrances of Membership Interests.*** A Member may not pledge, mortgage, subject to a security interest or lien, or otherwise encumber (voluntarily, involuntarily or by operation of law) all or any portion of his or her Membership Interest without the consent of the Manager, which shall not be unreasonably withheld. As a condition of the consent by the Manager, the Manager may reasonably require undertakings from the Member desiring to pledge, mortgage, subject to a security interest or lien, or otherwise encumber his or her interest and from the Person to whom the pledge, mortgage, security interest, lien or other encumbrance is to be granted to the effect that such Person will acquire such pledge, mortgage, security interest, lien or other encumbrance subject to the terms of this Agreement. Furthermore, the Manager may, in any event, may require that the Member provide a legal opinion from counsel acceptable to the Manager that the proposed pledge, mortgage, security interest, lien or other encumbrance will be subject to the terms of this Agreement.

Section 3.4 ***Creation of Additional Membership Interests.*** Additional Membership Interests may be created and issued to existing Members or to other Persons, and such other

Persons may be admitted to the Company as Members, at the direction of the Manager, on such terms and conditions, and with such Sharing Ratios and Capital Contributions, as the Manager may determine at the time of admission. The Manager may reflect the admission of any new Members or the creation of any new class or group of Member in an amendment to this Agreement that need be executed only by the Manager.

Section 3.5 ***Pro-Rata Decrease in Sharing Ratios.*** If an additional Membership Interest is created, then the Manager may require all current Members (other than the new Member) to reduce their interests in the Company, and hence their Sharing Ratios, in a pro-rata fashion. By way of example, and not limitation, if the new Member is properly admitted as a Member, and should acquire, or be issued, a 25% Membership Interest, and, hence, a 25% Sharing Ratio, each other Member shall reduce his, her or its Sharing Ratio by 25%.

Section 3.6 ***Resignation.*** A Member shall have the right to resign from the Company; provided, however, such resigning Member shall be liable to the Company and the other Members for all monetary damages suffered by them as a result of such resignation, including, without limitation, if the resignation of the Member results in the dissolution (deemed or otherwise) of the Company pursuant to the Code or the regulations promulgated thereunder.

Section 3.7 ***Information.*** In addition to the other rights specifically set forth in this Agreement, each Member and each transferee is entitled to all information to which that Member or transferee is entitled to have access pursuant to Act.

Section 3.8 ***Liability to Third Parties.*** Neither the Members, the Manager or any Person shall be liable for the debts, obligations or liabilities of the Company.

Section 3.9 ***Expulsion.*** A Member may not be expelled from the Company.

Section 3.10 ***Spouses of Members.*** Spouses of the Members do not become Members as a result of such marital relationship.

ARTICLE 4 CAPITAL CONTRIBUTIONS

Section 4.1 ***Initial Contributions.*** Contemporaneously with the execution by a Member of this Agreement, each Member has agreed to make initial Capital Contributions in an amount equal to the amount shown opposite the Member's name on Exhibit A. Each Member understands, acknowledges and agrees that the initial Capital Contribution by a Member does not represent the total of any Member's required Capital Contributions.

Section 4.2 ***Subsequent Contributions.*** Each Member shall contribute to the Company, in cash, on or before the date specified as hereinafter described, that Member's Sharing Ratio of all monies that in the judgment of the Manager are necessary to enable the Company to cause the assets of the Company to be properly operated and maintained and to discharge its costs, expenses, obligations, and liabilities.

Section 4.3 ***Failure to Contribute.*** If a Member does not contribute, within twenty days of the date required, all or any portion of the Capital Contribution that Member is required to make as provided in this Agreement (the "Delinquent Contribution"), the Manager may cause

the Company to exercise, on notice to that Delinquent Member, at the Manager's Sole Discretion, any one or more of the following remedies:

- (a) Deeming the Delinquent Contribution failed to make as a loan payable upon demand from the Company to the Delinquent Member, and thereafter taking such action (including court proceedings), at the cost and expense of the Delinquent Member, as the Manager may deem appropriate to obtain payment by the Delinquent Member of the portion of the Delinquent Member's Capital Contribution that is in default, together with interest thereon from the date that the Capital Contribution was due until the date that it is made, at a rate per annum equal to the lesser of
 - (i) the maximum rate permitted by applicable law; or
 - (ii) 10%;
- (b) Exercising any other rights and remedies available to the Company at law or in equity; or
- (c) Withholding as an offset from the Delinquent Member, any Net Cash Flow which would have otherwise been paid to that Delinquent Member until together with interest thereon at the rate specified in Section 4.3(a) from the date that the Delinquent Contribution was due until the Delinquent Contribution and accrued interest thereon is deemed fully paid.

Section 4.4 ***Return of Contributions.*** A Member is not entitled to the return of any part of his, her or its Capital Contributions or to be paid interest in respect of either his or her capital account or his or her Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

Section 4.5 ***Advances by Members.*** If the Company does not have sufficient cash to pay its obligations, any Member that may agree to do so, with the consent of the Manager, may advance all or part of the needed funds to or on behalf of the Company, at such interest rate and on such other terms as such Member and the Manager may agree. An advance described in this Section 4.5 constitutes a loan from the Member to the Company and is not a Capital Contribution.

ARTICLE 5 DISTRIBUTIONS AND ALLOCATIONS

Section 5.1 ***Distribution.*** At such times as determined by the Manager, Net Cash Flow (less any compensation paid to the Manager pursuant to Section 6.5) shall be distributed to the Members in proportion to their individual Sharing Ratios, as the same exist on the day of the distribution, or, if in the interim, a Member may have modified his, her or its Sharing Ratio, as may then be determined by the Manager so that an equitable distribution shall have been made.

Section 5.2 ***Allocations.*** Except as may be required by the Code, all items of income, gain, loss, deduction and credit of the Company shall be allocated to the Members in accordance with their respective contributions to the item giving rise to such item of income, gain, loss, deduction and credit.

ARTICLE 6 MANAGEMENT

Section 6.1 *Management by Manager.*

(a) Subject to the provisions of Section 6.2, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager. No Member in his or her capacity as a Member has the right, power or authority to act for or on behalf of the Company, to do any act that would be binding on the Company, or to incur any expenditures on behalf of the Company.

(b) In managing the business and affairs of the Company and exercising its powers, the Manager shall act (i) through resolutions adopted at meetings and in written consents pursuant to Section 6.4 and Section 6.7; and (ii) as otherwise provided in this Agreement. Decisions or actions taken by the Manager or any Manager in accordance with this Agreement (including this Section 6.1 and Section 6.2) shall constitute decisions or actions by the Company and shall be binding on each Manager, Member, Officer and employee of the Company.

(c) The day to day affairs of the Company, and as otherwise specified herein shall be directed and managed by the Person holding the office of President, who may be, but shall not be required to be, a Manager, but which Person shall serve under the direction of the Manager, and otherwise as provided in Section 6.8 From time to time, and as the President, with the concurrence of the Manager, may determine, certain of the affairs of the Company and the business of the Company may be directed and managed by one or more Persons holding the offices of Vice President. The Manager may, without the vote of the Members, direct that any Person holding an office of President or Vice President or any other office may no longer direct or manage the affairs of the Company, and have no authority to execute contracts or to enter into any commitment, written or oral, which will or may bind the Company or its assets. The Manager may employ such Persons, firms or other entities as the Manager, in his or her Sole Discretion, may deem necessary or desirable to carry on the business of the Company, including employees, consultants, counsel and accountants, and shall pay such Persons, firms or entities such compensation as the Manager, in his or her Sole Discretion, may deem reasonable.

Section 6.2 *Decisions Requiring Member Consent.* Notwithstanding any power or authority granted to the Manager under the Act, the Articles or this Agreement, except as specifically provided in the Act,

(a) The Manager may not make any decision or take any action for which the consent of a Majority Interest or other consent of the Members is expressly required by the Act, the Articles or this Agreement, without first such obtaining such consent,

(b) The Manager may not vote to dissolve or to terminate the existence of Company without first obtaining the consent of a Majority Interest,

(c) The Manager may not file a voluntary proceeding in bankruptcy, or make an assignment for the benefit of creditors, without first obtaining the consent of a Majority Interest,

(d) The Manager may not incur any additional indebtedness except for trade payables incurred in the ordinary course of business, without first obtaining the consent of a Majority Interest,

(e) The Manager may not cause the Company to consolidate or merge with any other entity, acquire any business, acquire stock of any Other Business Entity (as defined in the Act), or enter into any partnership or joint venture (other than joint operating agreements or other arrangements common in the oil and gas industry for the exploration, development and production of oil or gas), without first obtaining the consent of a Majority Interest,

(f) the Members may not remove the Manager, without first obtaining the consent of a Majority Interest.

Each Member may, with respect to any vote, consent or approval that he, she or it is entitled to grant pursuant to this Agreement, grant or withhold such vote, consent or approval in his, her or its Sole Discretion.

The Manager shall give the Members written notice of any action listed in this Section 6.2 which the Manager requests to be made and shall, at the expense of the Company, furnish to the Members such documents and information as may be reasonably necessary in order to enable Members to make the elections or take the actions described above in this Section 6.2. The failure of a Member to approve or disapprove any election or action within 30 days after (i) receipt of the notice from the Manager requesting approval, and (ii) receipt of all additional information reasonably necessary to enable the Member to make such election or take such action shall be deemed an approval by the Member of such election or such action as requested by the Manager.

Section 6.3 *Selection of Managers.* Initially, the number of Managers shall be one, unless by a vote of a Majority Interest of the Members and the Manager, the number of Managers of the Company may be increased, and then, the number of Managers shall not exceed the number of Members. Managers need not be Members or residents of the State of Delaware. Each Manager (whether an initial or a successor Manager) shall cease to be a Manager upon the earliest to occur of the following events:

(a) such Manager shall be removed, with or without cause, by a Majority Interest at a meeting of the Members called for that purpose;

(b) such Manager shall resign as a Manager, by giving notice of such resignation to the Members; or

(c) such Manager shall die, or if the Manager is a corporation, trust, partnership or other entity, dissolve (unless its business is continued without the commencement of liquidation or winding-up) or a final order in bankruptcy has been filed in respect of the Manager.

Any vacancy in any Manager position may be filled by a Majority Interest at a meeting of the Members called for that purpose, or if there are two or more Managers at such time, by a majority of the remaining Managers, though less than a quorum of the Managers.

Section 6.4 *Meetings of Managers.* Regular meetings of the Managers may be held on such dates and at such times as determined by the Managers, with notice of the establishment of such regular meeting schedule being given to each member of the Managers that was not present at the meeting at which it was adopted. Special meetings of the Managers may be called by any Manager by notice thereof (specifying the place and time of such meeting) that is delivered to each Manager at least 24 hours prior to such meeting. Neither the business to be transacted at, nor the purpose of, such special meeting need be specified in the notice (or waiver of notice) thereof. Unless otherwise expressly provided in this Agreement, at any meeting of the Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and an act of a majority of the Managers who are present at such a meeting at which a quorum is present shall be the act of the Managers. Any Manager may attend the same in person, or may attend such meeting by telephone or other conferencing arrangement, as provided in Section 6.7(e). The provisions of this Section 6.4 shall be inapplicable when there is only one Manager.

Section 6.5 *Compensation.* The Manager shall receive such compensation, if any, for his, her or its services as may be designated by the Manager, but it shall be no greater than 20% of the Net Cash Flow remaining after the return to the Members of all their Initial Capital Contributions plus any amount any Member may have made as a loan or as a Capital Contribution.

In addition to the compensation provided for in this Section 6.5, each Manager shall be entitled to be reimbursed for reasonable out-of-pocket costs and expenses incurred in the course of his or her service hereunder, including the expenses which were incurred before the effective date of this Agreement, but which related to the formation of the Company. The compensation provided for in this Section 6.5 shall be paid to the Manager as of and at the times when Net Cash Flow is distributed pursuant to Section 5.1.

Section 6.6 *Meetings of Members.* An annual meeting of the Members for the transaction of such business as may properly come before the meeting shall be held on such date and at such time as the Manager shall specify in the notice of the meeting, which shall be delivered to each Member at least thirty days prior to such meeting. Special meetings of the Members may be called by any Manager or by any two Members who, among them, own at least twenty percent of the Sharing Ratios of all Members. Any such meeting shall be held on such date and at such time as the Person calling such meeting shall specify in the notice of the meeting, which shall be delivered to each Member at least thirty days prior to such meeting. Only business within the purpose or purposes described in the notice (or waiver thereof) for such meeting may be conducted at such meeting. Unless otherwise expressly provided in this Agreement, at any meeting of the Members, Members holding among them at least 50% of the Membership Interests, represented either in person or by proxy, shall constitute a quorum for the transaction of business, and an act of a Majority Interest shall be the act of the Members.

Section 6.7 ***Provisions Applicable to All Meeting.*** In connection with any meeting of the Managers, Members or any other committee created by the Manager, the following provisions shall apply:

(a) Any meeting shall be held at the principal place of business of the Company, unless the notice of such meeting (or resolution of the Manager) specifies a different place, which need not be in the State of Delaware.

(b) Attendance of a Person at such meeting (including pursuant to Section 6.7(e)) shall constitute a waiver of notice of such meeting, except where such Person attends the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) A Person may vote at such meeting by a written proxy executed by that Person and delivered to a Manager, Member or member of the committee, as applicable. A proxy shall be revocable and shall not be effective for a period longer than thirty days after its execution, and in no event may a proxy be irrevocable. No proxy shall be effective unless it has been duly executed by a Person, and copies of the same shall have been delivered to each Member and a Manager at least ten days prior to the time when the proxy may be exercised.

(d) Any action required or permitted to be taken at such a meeting may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, if signed by a Manager, having not fewer than the minimum number of Sharing Ratios or votes that would be necessary to take the action at a meeting at which all Members and the Manager, as applicable, entitled to vote on the action were present and voted.

(e) The Manager and, Members, as applicable, may participate in and hold such meeting by means of conference telephone, video conference or similar communications equipment by means of which all Persons participating in the meeting can hear each other.

Section 6.8 ***Officers.*** As provided in Section 6.1(c), the Manager may designate one or more Persons to be Officers of the Company, and shall have such title, authorities, duties and salaries as the Manager may delegate to them, but which authorities and duties shall not exceed the authorities and duties of any Manager. Any Officer may be removed, either with or without cause, at the Sole Discretion of the Manager.

Section 6.9 ***Limitations on Liability of Manager.*** Except as provided otherwise in this Agreement, the Manager, shall conduct the affairs of the Company in good faith toward the best interests of the Company. The Manager shall be liable for errors or omissions in performing his or her duties with respect to the Company only in the case of gross negligence, willful misconduct, bad faith or material breach of the provisions of this Agreement, but not otherwise. The Manager shall devote such time and effort to the Company's business and operations as is necessary to promote fully the interests of the Company; however the Manager shall not be required to devote full time to Company business.

Section 6.10 ***Conflicts of Interest.*** Subject to the other express provisions of this Agreement, each Member, Manager, Officer or Affiliate thereof may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including ones in competition with the Company, with no obligation to offer to the Company or any other Member, Manager or Officer the right to participate therein. The Company may transact business with any Member, Manager, Officer or Affiliate thereof, provided the terms of those transactions are no less favorable than those the Company could obtain from unrelated third parties.

Section 6.11 ***Indemnification; Reimbursement of Expenses; Insurance.*** To the fullest extent permitted by the Act:

- (a) the Company shall indemnify each Manager who was, is or is threatened to be made a party to a Proceeding, any appeal therein, or any inquiry or investigation preliminary thereto, by reason of the fact that he or she is or was a Manager;
- (b) the Company shall pay or reimburse a Manager for expenses incurred by him or her
 - (i) in advance of the final disposition of a Proceeding to which such Manager was, is or is threatened to be made a party, and
 - (ii) in connection with his or her appearance as a witness or other participation in any Proceeding. The Company shall indemnify and advance expenses to an Officer, employee or agent of the Company to the same extent and subject to the same conditions under which it may indemnify and advance expenses to the Manager.

The provisions of this Section 6.11 shall not be exclusive of any other right under any law, provision of the Articles or this Agreement, agreement or otherwise. The Company may purchase and maintain insurance to protect itself and any Manager, Officer, employee or agent of the Company, whether or not the Company would have the power to indemnify such Person under this Section 6.11. Notwithstanding the foregoing, this indemnity does not apply to actions constituting gross negligence, willful misconduct, bad faith or material breach of the provisions of this Agreement.

ARTICLE 7 TAXES

Section 7.1 ***Tax Returns.*** The Company shall prepare and timely file all federal, state and local tax returns (or, if applicable, informational returns) required to be filed by the Company, unless an extension thereof is deemed necessary or desirable by the Manager. Each Member shall furnish to the Company all pertinent information in his or her possession relating to the Company's operations that is necessary to enable the Company's tax returns to be timely prepared and filed. The Company shall deliver a copy of each such return to the Members on or before ten days prior to the due date of any such return, together with such additional information as may be required by the Members in order for the Members to file their individual returns reflecting the Company's operations. The Company shall bear the costs of the preparation and filing of its returns, but the actual preparation of the return shall be conducted by an independent accountant selected by the Manager; the fact that the independent accountant so

selected may perform other services for the Manager or the Manager's Affiliates shall not preclude the selection of such independent accountant.

Section 7.2 Tax Elections. The Company shall make the following elections on the appropriate tax returns:

- (a) to adopt a fiscal year as advised by the Company's accountants;
- (b) to adopt a method of accounting as the Company's accountants may advise and to keep the Company's books and records on the method of accounting as the Company's accountants have advised, and, as required from time to time or at any time, to change the method of accounting to any other method which is permitted or prescribed by law, statute, rule or regulation;
- (c) if a distribution of the Company's property as described in Code Section 734 occurs or upon a transfer of Membership Interests as described in Code Section 743 occurs, on request by notice from any Member, to elect, pursuant to Code Section 754, to adjust the basis of Company's properties;
- (d) to elect to amortize the organizational expenses of the Company ratably over a period of 60 months as permitted by Code Section 709(b); and
- (e) any other election the Manager may deem appropriate and in the best interests of the Company and the Members.

Neither the Company nor the Manager or Member may make an election for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law and no provision of this Agreement (including Section 2.7) shall be construed to sanction or approve such an election.

Section 7.3 Tax Matters Member. The Members hereby designate any Manager to act as the "tax matters partner" of the Company pursuant to Code Section 6231(a)(7). The Tax Matters Member shall take such action as may be necessary to cause to the extent possible each other Member to become a "notice partner" within the meaning of Code Section 6223. The Tax Matters Member shall inform each other Member and Manager of all significant matters that may come to his attention in his capacity as Tax Matters Member by giving notice thereof on or before the fifth business day after becoming aware thereof and, within that time, shall forward to each other Member copies of all significant written communications it may receive in that capacity. The Tax Matters Member shall take no action without the authorization of a Majority Interest, other than such action as may be required by applicable law, or making elections as provided in Section 7.2. Any cost or expense incurred by the Tax Matters Member in connection with his duties, including the preparation for or pursuance of administrative or judicial proceedings, including audits of the Company, shall be paid by the Company.

ARTICLE 8 BOOKS, RECORDS AND BANK ACCOUNTS

Section 8.1 Maintenance of Books. The Manager shall keep or cause to be kept at the principal office of the Company complete and accurate books and records of the Company, supporting documentation of the transactions with respect to the conduct of the Company's

business and minutes of the proceedings of its Manager, Members and each committee established by the Manager. The books and records shall be maintained with respect to accounting matters in accordance with sound accounting practices, and all books and records shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours. For the purposes of determining the principal place of business for the maintenance of books and records of the Company, the same shall be the place where the Manager conducts business for the Company and as the Manager may hereafter designate.

Section 8.2 **Reports.** Within seventy-five days after the end of each taxable year, the Manager shall cause to be sent to each Member at the end of the taxable year a complete accounting of the financial affairs of the Company for the taxable year then ended, unless the Manager should, in his, her or its Sole Discretion, deem it necessary to delay the reporting of any accounting.

Section 8.3 **Accounts.** The Manager shall establish one or more separate bank and investment accounts and arrangements for the Company, which shall be maintained in the Company's name with financial institutions and firms that the Manager may determine; any account established for and on behalf of the Company shall have at least one of the Managers as a signatory party thereon and such Officer as the Manager may determine, but no check shall be required to bear joint signatures of the Manager and any Member. The Manager may not commingle the Company's funds with the funds of any Manager or any Member.

Section 8.4 **Capital Accounts.** An individual capital account shall be maintained for each Member in accordance with the following:

(a) The capital account of each Member shall, except as otherwise provided herein, be (i) credited by the amount of cash and fair market value of any property contributed to the Company (net of any liabilities assumed by the Members or to which such property is subject at the time of contribution), and (ii) credited with the amount of any item of taxable income or gain and the amount of any item of income or gain exempt from tax allocated to such Member.

(b) The capital account of each Member shall be debited by (i) the amount of any item of tax deduction or loss allocated to such Member, (ii) such Member's allocable share of expenditures not deductible in computing taxable income and not properly chargeable as capital expenditures, including any non-deductible book amortizations of capitalized costs and (iii) the amount of cash or the fair market value of any property (net of any liabilities assumed by such Member or to which such property is subject at the time of distribution) distributed to such Member (after making the adjustment provided in Section 8.4(c)).

(c) Immediately prior to any distribution of property that is not pursuant to a liquidation of the Company the Members' capital accounts shall be adjusted by assuming that the distributed assets were sold for cash at their respective fair market values as of the date of distribution and crediting or debiting each Member's capital account with its respective share of the hypothetical gains or losses resulting from such

assumed sales in the same manner as gains or losses on actual sales of such properties would be allocated under Section 8.5.

(d) Any adjustments of basis of property provided for under Sections 734 and 743 of the Code and comparable provisions of state law (resulting from an election under Section 754 of the Code or comparable provisions of state law) shall not affect the capital accounts of the Members and the Members' capital accounts shall be debited or credited as if no such election had been made.

(e) Capital accounts shall be adjusted, in a manner consistent with this Section, to reflect any adjustments in items of income, gain, loss or deduction that result from amended returns filed by the Company or pursuant to an agreement with the Internal Revenue Service or a final court decision.

(f) In the case of property contributed to the Company by a Member, the Members' capital accounts shall be debited or credited for items of depreciation, amortization and gain or loss with respect to such property computed in the same manner as such items would be computed if the adjusted tax basis of such property were equal to its fair market value on the date of its contribution to the Company, in lieu of the capital account adjustments provided above for such items, all in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

Section 8.5 *Allocations.* The Members agree that for United States federal and state income tax reporting purposes the distributive share of each of the Members in each item of income, gain, loss, deduction or credit including, without limitation, the items specifically mentioned below, shall be allocated to and accounted for by each Member in accordance with its respective contribution to such costs, expenses and credits.

Section 8.6 *Distribution Upon Dissolution.* Upon termination of the Company, unless otherwise specifically provided for in the Act, the assets of the Company shall be distributed to the Members in the manner and in the order set forth below:

(a) Debts of the Members incurred for and on behalf of the Company, and debts of the Company, other than to the Members shall be paid.

(b) Debts owed to any Member with respect to cash advanced by that Member to the Company for operations of the Company shall be paid.

(c) All cash on hand representing unexpended contributions by any Member shall be returned to the contributor.

(d) All remaining assets of the Company shall be distributed to the Members in the following manner: The Members' capital accounts shall be adjusted by (i) assuming the sale of all remaining assets for cash at their respective fair market values as of the date of termination of the Company and (ii) debiting or crediting each Member's capital account with the Member's respective share of gain or loss resulting from such assumed sales. Thereafter, all remaining assets shall be distributed to the Members in accordance with their respective capital account balances as so adjusted. In making distributions of assets in satisfaction of such capital account balances, such

assets shall be distributed to the Members, to the extent possible, in the same percentages as their Sharing Ratios. If, after such assets are distributed, any Member has a negative balance in its capital account, such Member shall restore the amount of such negative balance by contributing cash in such amount, which cash shall then be distributed to those Members having positive capital account balances at such time. Any distributions to the Members in liquidation of the Company, and any contributions required as the result of a negative capital account shall be made by the later of the end of the taxable year in which the liquidation occurs, or 90 days after the date of such liquidation. For purposes of the preceding sentence, the term “liquidation” shall have the same meaning as set forth in Treasury Regulation Section 1.704-1(b)(2)(ii)(g) as in effect at such time.

(e) If property of the Company is distributed pursuant to this Section 8.6, the amount of the distribution shall be equal to the fair market value of the distributed property. In the event the Members do not agree as to the fair market value of such property, the Manager shall employ such consultants as it, in its Sole Discretion, may hire to prepare an evaluation of the fair market value of such property.

ARTICLE 9 DISSOLUTION, WINDING UP AND TERMINATION

Section 9.1 *Dissolution.*

(a) The Company shall dissolve and its affairs shall be wound up on the first to occur of the following events:

- (i) the consent of a Majority Interest of the Members;
- (ii) the consent of the Manager, and a Majority Interest of the Members;
- (iii) entry of a decree of judicial dissolution of the Company under the Act.

(b) Neither the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member, shall dissolve the Company and the business of the Company shall be continued among the remaining Members, and, as applicable, the legal representative of the Member. who has died, become bankrupt or dissolved.

Section 9.2 *Winding Up and Termination.*

(a) On the occurrence of an event described in Section 9.1(a), the Manager shall act as liquidator or may appoint one or more of the Members as liquidator; provided, however, that if the Manager fails to appoint a liquidator within a reasonable time, then the liquidator shall be selected by a Majority Interest. The liquidator shall proceed diligently to wind up the affairs of the Company as provided in the Act. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Manager. The costs of winding up shall be borne as a Company expense.

(b) Any assets of the Company remaining at the conclusion of the winding-up process shall be distributed among the Members in accordance with the provisions of Section 8.6.

(c) On completion of such final distribution, the Manager (or such Person as may then be authorized to act in the Manager's name, place and stead) shall file Articles of Cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to Section 2.5, and take such other actions as may be necessary to terminate the existence of the Company.

ARTICLE 10 GENERAL PROVISIONS

Section 10.1 **Offset.** Whenever the Company is to pay any sum to any Member, any amounts that Member owes the Company may be deducted from that sum before payment, including those payments made pursuant to Section 4.3(c).

Section 10.2 **Notices.** All notices, requests or consents under this Agreement shall be (a) in writing, (b) delivered to the recipient in person, by courier, mail, facsimile or electronic mail (c) if to a Member, delivered to such Member at the address as that Member may specify by notice to the Manager, (d) if to a Manager or the Company, delivered to the Manager at the principal offices of the Company and (e) effective only upon actual receipt by such Person, which may be evidenced in any manner which may then be convenient. Whenever any notice is required to be given by applicable law, the Act, the Articles or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 10.3 **Entire Agreement; Supersedure.** This Agreement and that certain Agreement Regarding Participation In Future Projects by and among the Members constitute the entire agreement of the Members relating to the Company and supersede all prior contracts or agreements with respect to the Company, whether oral or written.

Section 10.4 **Effect of Waiver or Consent.** A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company.

Section 10.5 **Amendments of Articles and Regulations.** The Articles and this Agreement may be amended or restated only with the approval of all Managers and a Majority Interest of the Members; provided, however, that amendments of the type described in Section 3.4 may be adopted as therein provided.

Section 10.6 **Binding Effect.** Subject to the restrictions on Dispositions set forth in this Agreement, this Agreement is binding on and inure to the benefit of the Manager, the Members and their respective and permitted heirs, legal representatives, successors and assigns.

Section 10.7 **Facsimile Execution.** This Agreement, and any other instrument, notice or other document referred to in this Agreement may be executed by a Person and forwarded to the Person then entitled to receive the same by facsimile machine or by other electronic or other

means, and the Person receiving the same shall have right to consider the received document as having the same force and effect as an original paper instrument.

Section 10.8 ***Governing Law; Severability.*** This Agreement is governed by and shall be construed in accordance with the laws of the State of Delaware (excluding its conflict-of-laws rules). If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by applicable law.

Section 10.9 ***Choice of Forum and Venue.*** The Manager and each Member, solely for the benefit of the Manager and the other Members and not for the benefit of any third Person, on his or her own behalf and on behalf of his or her Affiliates, hereby irrevocably submit to the jurisdiction of any Delaware court sitting in Montgomery County, Delaware or any Federal court sitting in the Southern District of Delaware, having subject matter jurisdiction over any action or proceeding arising out of or relating to this Agreement, and the Manager and each Member hereby irrevocably agree that all claims in respect of such actions or proceedings shall be heard and determined in such Delaware court or Federal court; provided, however, that nothing in the foregoing provisions of this Section shall be construed to permit the initiation of an action or proceeding by the Manager or any Member in a manner other than as prescribed or permitted by law and provided, further, however that the foregoing provisions of this Article are intended to govern the situs of actions or proceedings between or among the Manager and the Members, and are not intended to be applicable to the bringing of actions or proceedings by the Manager, a Member or the Company with respect to third Persons.

Section 10.10 ***Construction.*** Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine, and neuter; (b) the word “including” means “including, without limitation;” (c) references to Articles and Sections refer to Articles and Sections of this Agreement; (d) references to Exhibits are to the Exhibits attached to this Agreement, unless the context expressly provides otherwise. All references to other documents or instruments to which the Company is party, are to documents or instruments which have been supplied to each Member, and each Member, by his, her or its execution hereof acknowledges the receipt of the same. Each Exhibit and other document or instrument to which the Company is party are made a part hereof for all purposes.

Section 10.11 ***Further Assurances.*** In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

Section 10.12 ***Counterparts.*** This Agreement may be executed in any number of counterparts, all of which shall constitute the same instrument; provided, however, that this Agreement shall be effective as to each party upon his or her execution hereof whether all counterparts are executed by a party or not. In making proof of this Agreement it shall not be necessary to produce nor to account for all counterparts hereof, and it shall be sufficient to produce but one counterpart original hereof executed by the party sought to be charged thereby.

For the ease of execution, each Member may have executed a separate counterpart of this Agreement, and the Manager is authorized to assemble all execution pages in a single document, and forward copies thereof to all Members.

IN WITNESS WHEREOF, the Manager and Members have executed this Agreement to be effective as of the date first set forth above.

MANAGER

Jon H. Larson.

Address For Notices:

Mailing Address:

P.O. Box 751

Tiburon, California 94920

Physical Address:

4 Mateo Drive

Tiburon, California 94920

415.435.3222

415.435.3222 (facsimile)

E-mail:jon_larson@hotmail.com

Member Name:

Jon H. Larson

Address For Notices:

Mailing Address:

P.O. Box 751

Tiburon, California 94920

Physical Address:

4 Mateo Drive

Tiburon, California 94920

415.435.3222

415.435.3222 (facsimile)

E-mail:jon_larson@hotmail.com

EXHIBIT A
To
LIMITED LIABILITY COMPANY AGREEMENT
OF
INVESTMENT RECOVERY PARTNERS, LLC
MEMBER SHARING RATIOS AND COMMITMENTS

MEMBER NAME	INITIAL CAPITAL CONTRIBUTION	SHARING RATIO
JON H. LARSON.	\$1,000.00	1.000

INVESTMENT RECOVER PARTNERS LLC

LLC OPERATING AGREEMENT ADDENDUM # 1

At the Annual Meeting of IRPLLC Partners held Thursday October 15, 2009 at the Bankers Club in San Francisco, the following amendments to the standard IRPLLC Operating Agreement dated 1/18/2006, were proposed and approved by a majority of the Member Partners in attendance.

- 1) Expand managers from one to three for the coming two years (2010-2011):
Manager and two co-managers:
Jon Larson - managing Partner
Dennis Pike – co-managing Partner
Jim McFadden – co-managing Partner

- 2) Continue Managing Partner's compensation: (same since day 1)
5% of return beyond first 120% of Initial Capital.
ie. Invest \$10,000 ROI \$20,000 fee=5% of \$8,000 = \$400

- 3) Add a compensation plan for the two co-managers. Up to 3%, paid out according to the same terms as the Managing Partner in 2) above. The split of the 3% fees is to be determined by the two co-managing Partners themselves according to contributions.

- 4) A Member can be removed from the IRPLLC by a majority vote of the Managers.

- 5) Commence an operating expense fee of 2% of gross revenues from liquidity events, beyond first 120% of Initial Capital. Same 120% algorithm as used in 2) and 3) above. Funds will be used for:
 - Operating expenses
 - Other uses as determined by the managers and approved by a majority vote of those in attendance at the yearly Annual Meeting or via email vote including.
 - Additional investments in current holdings
 - New investments in new companies

- 6) A Capital call of up to \$1,000 per Partner is approved for 2010. It will be due within 30 days upon call by the managing partners, based on need. Failure to pay the capital call will result in accumulated interest at 8% and the call amount to be paid out of any future earnings of any Partner who does not pay the capital call.