

**ARTICLE II.**  
**AUTHORITY AND LIMITATIONS OF THE CO-MANAGERS**

A. **Authority.** Except to the extent otherwise provided herein, the Co-Managers shall have the exclusive right to manage the Property and all affairs of the Company.

B. **Resignation.** The Co-Managers may resign as a manager at any time by giving at least ten (10) days written notice to the Company. The resignation of a Co-Manager shall take effect upon Company's receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. In the event of the resignation of a Co-Manager, Company shall select another member as Co-Manager; provided, however, the remaining Co-Manager shall have the authority to continue with all management of the Company and its assets until such Co-Manager is selected.

A. **Compensation.** The Co-Managers shall not receive any compensation (in addition to their ownership interest) for their services hereunder. However, any person, including a Co-Manager, may become an employee of the Company and receive such compensation and other benefits as may be determined by the mutual consent of the Co-Managers.

B. **Expenses.** As further provided in this Agreement, the Co-Managers shall be entitled to reimbursement of any expenses reasonably incurred in the management of the Company.

C. **Signing Agreements.** The Co-Managers are hereby authorized to enter into all agreements relating to the Property. **One signature shall be required.**

D. **Reliance.** Any person dealing with the Property may rely upon a certificate signed by the Co-Managers as to:

1. The identity of the Co-Managers;
2. The existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Co-Managers or which are in any other manner germane to the affairs of the Company; and
3. The persons who are authorized to execute and deliver any instrument or document of the Company.

E. **Duties and Obligations of the Co-Managers.**

1. The Co-Managers shall take all actions which may be necessary or appropriate (a) for the continuation of the Company's valid existence as a limited liability company under the laws of the State of New Mexico (and of each other jurisdiction in which such existence is necessary to protect the limited liability of the members of the Company or to enable the Company to conduct the business in which it is engaged); and (b) for the development, maintenance, preservation, and

**5904 FLORENCE, LLC,**  
*a New Mexico limited liability company*

**OPERATING AGREEMENT**

This *Operating Agreement* ("**Agreement**") is effective as of the 29<sup>th</sup> day of June, 2015 and is by and between **5904 Florence, LLC**, a New Mexico limited liability company, located in Albuquerque, New Mexico ("**Company**") and **Brian J. Kilcup** and **Brenda C. Kilcup** (collectively referred hereto as "**Co-Managers**").

**RECITALS**

A. The Company is a newly formed limited liability company which intends to acquire one or more real properties and other assets (collectively, the "**Property**"); and

B. Co-Managers have had substantial experience in the management, leasing, and operation of real and personal property; and

C. The Company desires to have Co-Managers provide and Co-Managers desire to provide management services in connection with the Property (including cash and securities) as the Company may from time to time acquire and request Co-Managers to service.

NOW, THEREFORE, based on mutual promises, covenants, and other benefits, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually agree to all of the provisions of this Agreement, including the Recitals.

**ARTICLE I.**

**MANAGEMENT SERVICES**  
**TO BE PROVIDED TO THE COMPANY**

A. **Services.** Services of the Co-Managers to be provided to the Company shall be: (1) monitoring the performance, leasing, operation, maintenance and/or servicing of the Property held or owned by the Company; (2) responding to offers to purchase or lease any of the Company's Property and, when appropriate, making decisions for the Company relating to such offers; (3) keeping in place such property and casualty insurance as is necessary and appropriate for the Company and its Property; (4) leasing and management of Property; and (5) performing all such other acts as the Co-Managers deem necessary or beneficial for the proper performance by the Co-Managers of there obligations under this Agreement.

B. **Information and Reports.** Not less often than thirty (30) days after the end of each calendar year within the term hereof, the Co-Managers shall prepare or cause to be prepared on behalf of the Company an operating statement.

4. Borrow money and issue evidences of indebtedness necessary, convenient, or incidental to the management of the Property, and secure the same by mortgage, pledge, or other lien on any property.

5. Execute, in furtherance of the management of the Property, any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any of the Property.

6. Prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the Property and in connection therewith execute any extensions or renewals or encumbrances on any or all of the Property.

7. Lease, upon such terms as may be deemed proper, all or any portion of the Property.

8. Maintain and distribute funds to the Company by way of cash, income, return of capital, or otherwise, and perform all matters in furtherance of the purposes and objectives of the Company under this Agreement.

9. Engage in any kind of activity and perform and carry out contracts of any kind necessary to or incidental to, or in connection with the management of the Company.

10. Take, or refrain from taking, all actions, not expressly proscribed or limited by this Agreement, as may be necessary or appropriate to the management of the Company.

11. Institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Company in connection with activities arising out of, connected with, or incidental to this Agreement, and to engage counsel or others in connection therewith.

12. Execute, acknowledge and deliver any and all instruments to effectuate any of the foregoing powers.

G. **Prohibitions.** Without the consent of the Company, the Co-Managers shall not have the authority to:

1. Do any act in contravention of this Agreement;
2. Confess a judgment against the Company;
3. Possess the Property or assign rights in Company assets for other than a Company purpose;
4. Knowingly perform any act that would subject a member of the Company to liability similar to that of a general partner in any jurisdiction; or

operation of the Property in accordance with the provisions of this Agreement and applicable laws and regulations.

2. The Co-Managers shall devote to the Company such time as may be necessary for the proper performance of all duties hereunder, but the Co-Managers shall not be required to devote full time to the performance of such duties.

3. The Co-Managers shall be under a fiduciary duty to conduct their duties and obligations in the best interests of the Company, including the safekeeping and operation of the Property. All actions and decisions of the Co-Managers shall be undertaken in good faith with the Co-Managers acting under the "prudent man" standard of care.

4. The Co-Managers may rely upon and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by Co-Managers to be genuine and to have been signed or presented by the proper party or parties.

5. The Co-Managers may consult as to matters affecting the Company and at the expense of the Company with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by Co-Managers, and any opinion of any such person as to matters that the Co-Managers reasonably believe to be within such person's professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the Co-Managers hereunder in good faith and in accordance with such opinion.

F. **Rights and Powers.** In addition to any other rights and powers which the Co-Managers may possess, and subject to the limitations provided herein, the Co-Managers shall have all specific rights and powers required in, or appropriate to, the management of the Property and conferred by this Agreement, or otherwise, and by way of illustration but not by way of limitation, the following:

1. Acquire in the name of the Company by purchase, lease, investment or otherwise any real or personal property which may be necessary, convenient, or incidental to the management of the Property.

2. Operate, maintain, finance, improve, construct, sell, convey, assign, mortgage, lease, and own or grant options with respect to any real estate and any personal property necessary, convenient, or incidental to the accomplishment of the management of the Property.

3. Execute any and all agreements, contracts, documents, certifications, and instruments necessary or convenient in connection with the management, maintenance, and operation of the Property, or in connection with managing the affairs of the Property.

**ARTICLE VII.**  
**REPRESENTATIONS BY CO-MANAGERS**

The Co-Managers represent and warrant to the Company that:

1. Co-Managers have all requisite power and authority to enter into this Agreement and that when executed and delivered by the Co-Managers, this Agreement will constitute the valid and binding obligation of the Co-Managers enforceable against the Co-Managers in accordance with its terms;
2. Co-Managers are experienced and knowledgeable in the managing of business of the nature contemplated by this Agreement; and
3. Any and all recommendations, decisions, and actions shall be reasonable and consistent with the fiduciary responsibility owed to the Company.

**ARTICLE VIII.**  
**REPRESENTATION BY THE COMPANY**

The Company represents and warrants that it has all requisite power and authority to enter into this Agreement and that when executed and delivered by the Company this Agreement will constitute the valid and binding obligations of the Company enforceable against the Company in accordance with its terms.

**ARTICLE IX.**  
**LIABILITY AND INDEMNITY**

A. **Limitation.** The Co-Managers shall not be liable for any action taken, omitted or suffered to be taken by Co-Managers in performance of their services hereunder, except to the extent that such acts or omissions have resulted from the Co-Managers' willful misconduct, malfeasance, or fraud.

B. **Indemnification.** The Company agrees to indemnify and hold harmless (but only to the extent of the assets of the Company) the Co-Managers, their agents and employees, from and against any and all loss, liability, damage, cost or expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred relating to the Company and arising in connection with this Agreement or the Property, except as to such loss, liability, damage, cost or expenses as may result from the Co-Managers' wilful misconduct, malfeasance, or fraud.

**ARTICLE X.**  
**NO ASSIGNMENT**

This Agreement is a personal services agreement and the Co-Managers may not assign or transfer the rights or duties under this Agreement, in whole or in part, without the express written consent of the Company.

5. Do any act which would make it impossible to carry on the business of the Company.

H. **Reimbursement of Expenses.** The Company agrees to pay reimbursements of expenses incurred by the Co-Managers in the management of the Company within fifteen (15) business days after receiving each request thereto, together with such supporting documentation as the Company may reasonably request.

I. **Removal.** The Co-Managers may be removed only upon death or disability or for the Co-Managers' mismanagement of the Company.

### ARTICLE III. **COMPENSATION TO THE CO-MANAGERS**

The Co-Managers shall not be entitled to compensation for services hereunder, except as provided in Article II.C hereof.

### ARTICLE IV. **MEMBERS**

The sole member of the Company is the *Kilcup Trust Declaration Dated February 28, 2007* owning a one hundred percent (100%) interest in the Company.

### ARTICLE V. **TERM**

The initial term of this Agreement shall be co-extensive with the term of the existence of the Company.

### ARTICLE VI. **TERMINATION**

A. **Events.** This Agreement will automatically terminate (1) upon a dissolution of the Company; and (2) as may be otherwise provided in Article II or in Article V above.

B. **Continuation of Rights and Obligations.** Any termination of this Agreement shall not affect the rights or obligations of the parties arising out of the performance of this Agreement prior to such termination.

C. **Transfer of Documents.** Upon any termination of this Agreement, the Co-Managers shall cooperate with the Company by transferring all documents relating to the Company in Co-Managers' possession to the Company or to a new managers(s) selected by the Company.

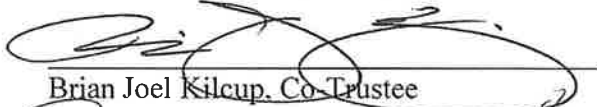
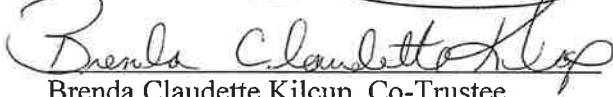
enforcement of this Agreement. Nothing in this Agreement, express or implied, is intended to confer on any person(s) and/or entity(ies) (a "**Non-Party**"), other than the parties hereto and their respective representatives, successors-in- interest, and permitted assignees, any right, power, remedy, obligation, duty, or liability under or by reason of this Agreement; and the parties understand, and undertake to represent to all Non-Parties; that this Agreement and the relationship between and among the parties to this Agreement is not one of joint venture, partnership, association, tenancy-in-common, or any form of agreement or relationship other than an agreement on the terms and conditions set forth herein. Each person signing this Agreement represents and warrants that said person has been duly authorized to sign and that said person (for and on behalf of said person and the party represented by said person) intends to implement and carry out each and every one of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed the foregoing Agreement on the day and year first above written.


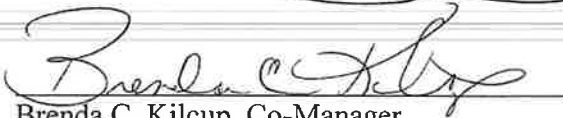
**COMPANY:**

**5904 Florence, LLC,**  
a New Mexico limited liability company

By: **Kilcup Declaration Trust Dated  
February 28, 2007**, its sole Member

  
Brian Joel Kilcup, Co-Trustee  
  
Brenda Claudette Kilcup, Co-Trustee

**CO-MANAGERS:**

  
Brian J. Kilcup, Co-Manager  
  
Brenda C. Kilcup, Co-Manager

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**ARTICLE XI.**  
**NOTICES**

Any notice, demand or request given under this Agreement shall be given in writing, and shall be made by personal delivery or delivered by United States registered or certified mail, postage prepaid, return receipt requested or sent by a reputable overnight courier, addressed as follows:

If to the Company:                   5904 Florence, LLC  
  5904 Florence Avenue NE  
  Albuquerque, New Mexico 87113

If to the Co-Managers:           Mr. Brian J. Kilcup  
  5904 Florence Avenue NE  
  Albuquerque, New Mexico 87113

  and to:                   Ms. Brenda C. Kilcup  
  5904 Florence Avenue NE  
  Albuquerque, New Mexico 87113

or to such other address as either party may designate in writing mailed to the other party as provided herein.

**ARTICLE XII.**  
**GENERAL PROVISIONS**

This Agreement contains the entire agreement of the parties on the subject matter herein, and any prior agreements, draft agreements, arrangements, or understandings, whether oral or written, on the subject matter herein, are merged herein, and this Agreement supersedes same. This Agreement may not be modified or amended except by a writing signed by the parties. This Agreement shall be binding upon and inure to the benefit of the parties and their legal representatives, successors-in-interest (of whatever kind). This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of New Mexico. Paragraph headings are for convenience only and shall not govern the interpretation or construction of any of the provisions of this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. If any term or condition of this Agreement is determined by a court of law in a final decision to be illegal or unenforceable, the remainder of this Agreement shall continue in full force and effect but shall be construed to give effect to the court's decision. No waiver of any term or condition of this Agreement shall be effective unless in writing and signed by the parties, and any waiver shall be limited solely to the circumstances to which it applies and shall not imply any future waiver, or any waiver of any other term or condition of this Agreement. In any legal action to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees. This Agreement and each and every one of its provisions is specifically enforceable. The fact that one of the parties, and that party's attorneys, may have drafted this Agreement shall not be used for or against that party in the interpretation, construction, or