

# REEVES & ROSS, P.C.

ATTORNEYS AT LAW

438 DEPOT STREET  
LATROBE, PA 15650

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February 4, 2021

Secretary  
PA Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

A-2020-3015403

RECEIVED

FEB 16 2021

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

RE: Rideman, LLC

Dear Secretary:

I am writing on behalf of my client, Joseph M. Lanatovich to advise that there has been a change in the entity name of the motor carrier which is not accompanied by a change in the ownership of the business. Currently his PUC license is listed as Joseph M. Lanatovich t/a, PUC License # A-6422887. Mr. Lanatovich recently went from a sole proprietorship to and Limited Liability Company known as Rideman, LLC. Per your instructions I am enclosing a copy of the Certificate of Organization from the Pennsylvania Department of State as well as the Operating Agreement for Rideman, LLC. Mr. Lanatovich is the sole member of this LLC and therefore there has been no change in control or ownership of the business. Also enclosed is a Verified Statement signed by my client and notarized. Should you need any additional documentation please do not hesitate to contact me.

Sincerely,

Dwayne E. Ross

DER/tsa

Enclosures: Certificate of Organization  
Operating Agreement  
Verification

**PENNSYLVANIA DEPARTMENT OF STATE  
 BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS**

Return document by mail to:

Taryn Ankney  
 Name  
 438 Depot Street,  
 Address  
 Latrobe PA 15650  
 City State Zip Code

Return document by email to: \_\_\_\_\_

Certificate of Organization Domestic  
 Limited Liability Company  
 DSCB:15-8821(rev. 2/2017)



8821

Read all instructions prior to completing. This form may be submitted online at <https://www.corporations.pa.gov/>.

Fee: \$125.00  I qualify for a veteran/reservist-owned small business fee exemption (see instructions)

In compliance with the requirements of 15 Pa.C.S. § 8821 (relating to certificate of organization), the undersigned desiring to organize a limited liability company, hereby certifies that:

1. The name of the limited liability company (designator is required, i.e., "company", "limited" or "limited liability company" or abbreviation):  
 Rideman LLC

2. Complete part (a) or (b) – not both:

(a) The address of the limited liability company's initial registered office in this Commonwealth is:  
 (post office box alone is not acceptable)

911 Ligonier Street, Suite 006	Latrobe	PA	15650	Westmoreland
Number and Street	City	State	Zip	County

(b) name of its commercial registered office provider and the county of venue is:

c/o:

Name of Commercial Registered Office Provider	County
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3. The name of each organizer is (all organizers must sign on page 2):

Name	Address
Joseph Lanatovich	911 Ligonier Street , Suite 006 , Latrobe , Westmoreland , PA , United States , 15650

4. Effective date of Statement of Registration (check, and if appropriate complete, one of the following):

- The Certification of organization shall be effective upon filing in the Dept of State.
- The Certification of organization shall be effective \_\_\_\_\_ at \_\_\_\_\_  
 on: \_\_\_\_\_  
 Date(MM/DD/YYYY) Hour (if any)

**5. Restricted professional companies only.**

*Check the box if the limited liability company is organized to render a restricted professional service and check the type of restricted professional service(s).*

The company is a restricted professional company organized to render the following restricted professional service(s):

- Chiropractic
- Dentistry
- Law
- Medicine and surgery
- Optometry
- Osteopathic medicine and surgery
- Podiatric medicine
- Public accounting
- Psychology
- Veterinary medicine

**6. Benefit companies only.**

*Check the box immediately below if the limited liability company is organized as a benefit company:*

This limited liability company shall have the purpose of creating general public benefit

*Optional specific public benefit purpose. Check the box immediately below if the benefit company is organized to have one or more specific public benefits and supply the specific public benefit(s). See instructions for examples of specific public benefit.*

This limited liability company shall have the purpose of creating the enumerated specific public benefit(s):

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**7. For additional provisions of the certificate, if any, attach an 8½ x 11 sheet.**

IN TESTIMONY WHEREOF, the organizer(s) has (have) signed this Certificate of Organization this 22 day of October, 2020.

Joseph Lanatovich

\_\_\_\_\_  
Signature

Date of this notice: 11-03-2020

Employer Identification Number:  
85-3741287

Form: SS-4

Number of this notice: CP 575 G

RIDEMAN LLC  
JOSEPH M LANATOVICH SOLE MBR  
911 LIGONIER ST STE 6  
LATROBE, PA 15650

For assistance you may call us at:  
1-800-829-4933

IF YOU WRITE, ATTACH THE  
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 85-3741287. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at [www.irs.gov](http://www.irs.gov). If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

**IMPORTANT REMINDERS:**

- \* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- \* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- \* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is RIDE. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.



**OPERATING AGREEMENT  
OF  
RIDEMAN, LLC  
(A Pennsylvania Limited Liability Company)**

This Operating Agreement of RIDEMAN, LLC. (the "Company"), dated as of the 20<sup>th</sup> day of October 2020, has been adopted by the Persons who were Members of the Company on that date, including JOSEPH LANATOVICH, who is a Member and also is the Manager of the Company. This Agreement, as it may be amended from time to time, shall be binding on any person who at the time is a Member, regardless of whether or not the person has executed this Agreement or any amendment hereto.

**RECITALS**

A. The Company has been organized as a Pennsylvania limited liability company by the filing of a certificate of organization with the Department of State of the Commonwealth of Pennsylvania under and pursuant to the Act.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and intending to be legally bound hereby, the Members agree as follows:

**ARTICLE I – DEFINITIONS**

1.01. **Definitions.** In addition to the terms defined in other provisions of this Agreement, [including without limitation Section B.1 of Annex B,] the following terms shall have the meanings set forth below unless the context requires otherwise:

"Act." The Pennsylvania Limited Liability Company Law of 1994, 15 Pa.C.S. § 8901 et. seq., and any successor statute, as amended from time to time.

"Agreement." This Operating Agreement, as amended, modified, supplemented or restated from time to time.

"Capital Account." The individual account maintained by the Company with respect to each Member as provided in [Annex B.] [Section 4.04]

"Capital Contribution." The aggregate amount of cash and the agreed value of any property or services (as determined by the Member and the Company) contributed by each Member to the Company as provided in Section 4.01. In the case of a Member that acquires a Membership Interest by an assignment or transfer in accordance with the terms of this Agreement, "Capital Contribution" means the Capital Contribution of that Member's predecessor proportionate to the acquired Membership Interest.

"Certificate." The certificate of organization of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the Department of State of the Commonwealth of Pennsylvania pursuant to the Act.

**“Code.”** The Internal Revenue Code of 1986, as amended.

**“Company.”** See the preamble.

**“Manager.”** JOSEPH LANATOVICH and any other Person serving at the time as a manager of the Company as provided in this Agreement.

**“Member.”** Any Person who at the time is a member of the Company. **“Members”** means two or more Persons when acting in their capacities as members of the Company. For purposes of the application of a provision of the Act to the Company, the Members shall constitute one class or group of members.

**“Membership Interest.”** The interest of a Member in the Company, including, without limitation, interests in Profits and Losses, rights to distributions (liquidating or otherwise), allocations, information, and to consent to or approve actions by the Company, all in accordance with the provisions of this Agreement and the Act.

**“Percentage Interest.”** The proportionate Membership Interest of a Member expressed as a percentage, as shown on Annex A.

**“Person.”** A natural person, corporation, general or limited partnership, limited liability company, joint venture, trust, estate, association or other legal entity or organization.

**“Prime Rate.”** A varying rate per annum that is equal to the interest rate published by The Wall Street Journal from time to time as the prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate.

**“Treasury Regulations.”** The income tax regulations, including temporary regulations, promulgated under the Code, as those regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

## ARTICLE II – ORGANIZATION

**2.01. Principal Place of Business; Other Offices.** The principal place of business of the Company shall be at 911 LIGONIER STREET, SUITE 006, LATROBE, PA. 15650 or at such other place as the Manager may designate from time to time, which need not be in the Commonwealth of Pennsylvania. The Company may have such other offices as the Manager may designate from time to time.

**2.02. Purpose.** The object and purpose of, and the nature of the business to be conducted and promoted by, the Company is engaging in any lawful act or activity for

which limited liability companies may be organized under the Act and engaging in any and all lawful activities necessary, convenient, desirable or incidental to the foregoing.

### ARTICLE III – MEMBERSHIP INTERESTS

3.01. **Initial and Subsequent Members.** The Members of the Company are the Persons listed on Annex A. A Person who is not already a Member and who acquires a previously outstanding Membership Interest in accordance with this Agreement shall automatically be admitted as a Member; other Persons may be admitted as Members from time to time on such terms as are fixed by the Manager. It shall not be necessary for Persons who are subsequently admitted as Members or who acquire any or all of an existing Member's Membership Interest to execute this Agreement either by counterpart or amendment. When any Person is admitted as a Member or ceases to be a Member, the Manager shall prepare a revised version of Annex A and distribute it to all the Members.

3.02. **Record Holders of Membership Interests.** The Company shall be entitled to treat the Person in whose name a Membership Interest stands on the books of the Company as the absolute owner thereof and as a Member of the Company. The Company shall not be bound to recognize any equitable or other claim to, or interest in, such Membership Interest on the part of any other Person, whether or not the Company has express or other notice of any such claim.

3.03. **Transfers and Assignments of Membership Interests.**

(a) **Free Transferability.** Except to the extent that transfers or assignments of Membership Interests are restricted by agreement, Membership Interests shall be freely transferable and assignable, in whole or in part, and it shall not be necessary to obtain the approval of any of the Members in order to transfer or assign a Membership Interest or any or all of the rights comprising the Membership Interest.

(b) **Capital Account of Transferee.** Upon the valid transfer of a Membership Interest, the transferee shall succeed to the corresponding portion of the Capital Account of the transferor [as provided in Section B.2(b) of Annex B.]

(c) **Distribution Upon Dissociation.** A Member who is dissociated from the Company shall have the right under Section 8933 of the Act to receive any distribution declared but not paid prior to the date of dissociation and, within a reasonable time after dissociation, to be paid the fair value of the Membership Interest of the Member based upon the right of the Member to share in distributions from the Company.

3.04. **Lack of Authority.** A Member in his, her or its capacity as such shall not have the authority or power to act for or on behalf of the Company or otherwise bind the Company in any way.

3.05. **No Right of Partition.** A Member shall not have the right to seek or obtain partition by court decree or operation of law of any Company property, or the right to own or use particular assets of the Company.

#### ARTICLE IV – FINANCIAL AND TAX MATTERS

4.01. **Capital Contributions.** The Company shall keep a record of the Capital Contributions made by the Members. A Member shall not be required to make any capital contribution to the Company not specifically agreed to in writing between the Member and the Company, or be obligated or required under any circumstances to restore any negative balance in his, her or its Capital Account.

4.02. **Return of Contributions.** A Member is not entitled to the return of any part of the Member's Capital Contribution, or to be paid interest in respect of the Member's Capital Account or Capital Contribution. 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.

4.03. **Advances by Members.** If the Company does not have sufficient cash to pay its obligations, a Member may agree, with the consent of the Manager, to advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section 4.03 constitutes a loan from the Member to the Company, bears interest at the Prime Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

4.04. **Capital Accounts.** At all times while there is more than one Member, a Capital Account shall be established and maintained for each Member [as provided in Annex B.]

(a) The allocation and capital account maintenance provisions of Treasury Regulations under Section 704 of the Code are hereby incorporated by reference, including a "qualified income offset" within the meaning of Treas. Reg. Section 1.704-1(b)(2)(ii)(d), the rules regarding allocation of "partner nonrecourse deductions" under Treas. Reg. Section 1.704-2(i)(1), "minimum gain chargeback" under Treas. Reg. Section 1.704-2(f) and "partner nonrecourse debt minimum gain chargeback" under Treas. Reg. Section 1.704-2(i)(4), and the limitation on allocation of losses to any Member that would cause a deficit capital account in excess of such Member's capital contribution obligations and share of minimum gain and partner nonrecourse debt minimum gain under Treas. Reg. Section 1.704-1(b)(2)(ii)(d) as modified by Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5).

(b) To the extent contributed property has a fair market value at the time of contribution that differs from the contributing Member's basis in the property, and to the extent the carrying value of property of the Company otherwise differs from the Company's basis in such property, depreciation, gain and loss for capital account purposes shall be computed by reference to such carrying value rather than such tax basis. In accordance with Section 704(c) of the Code, income, gain, loss and deduction with respect to such property shall, solely for tax purposes, be shared among the Members so as to take account of the variation between the basis of the property to the Company and its fair market value at the time of contribution, or at the time that the carrying value of such property is adjusted under Treas. Reg. Section 1.704-1(b)(2)(iv)(f), as the case may be.

4.05. **Profits and Losses.** At all times while there is more than one Member, profits and losses shall be allocated to the Members [as provided in Annex B.] [in accordance with Percentage Interests, except as otherwise provided in Section 4.04.]

4.06. **Distributions.**

(a) **General Rule.** Except as otherwise provided in Article IX, the Manager in his sole discretion may authorize the Company to make distributions to the Members. All distributions, other than liquidating distributions, shall be made to the Persons shown as holders of record of Membership Interests at the time in proportion to their Percentage Interests.

(b) **Minimum Distribution.** With respect to any taxable year of the Company in which Members are allocated taxable income for Federal income tax purposes (and for this purpose all items of income, gain, loss or deduction required to be separately stated pursuant to Section 703 of the Code shall be included in the calculation of taxable income (other than the amount, if any, by which capital losses exceed capital gains)), the Company shall attempt to distribute to the Members, within 90 days after the close of that taxable year, no less than the amount determined by multiplying the Company's taxable income (computed as set forth in this sentence) by the highest composite Federal, state and local income tax rate applicable to any Member. For purposes of the preceding sentence, the Company's taxable income for a year shall be reduced by any net loss of the Company in prior years that has not previously been so taken into account under this Section 4.06(b). Nothing herein shall require the Company to borrow money or reduce its cash flow so as to restrict its ability to operate the day-to-day activities of the business in order to make such distributions.

4.07. **Establishment of Reserves.** The Manager shall have the right and obligation to establish reasonable reserves for maintenance, improvements, acquisitions, capital expenditures and other contingencies, such reserves to be funded with such portion of the operating revenues of the Company as the Manager may deem necessary or appropriate for that purpose.

**4.08. Tax Returns.** The Manager shall arrange for the preparation of all tax returns required to be filed for the Company. Each Member shall be entitled to receive, upon written request, copies of all Federal, state and local income tax returns and information returns, if any, which the Company is required to file. All information needed by the Members and other Persons who were Members during the applicable taxable year for income tax purposes shall be prepared by the Company's accountants and furnished to each such Person after the end of each taxable year of the Company.

**4.09. Tax Elections.**

(a) To the extent permitted by applicable tax law, the Company may make the following elections on the appropriate tax returns:

- (1) to adopt the calendar year as the Company's taxable year;
- (2) to adopt the cash method of accounting and to keep the Company's books and records on the income-tax method;
- (3) if a transfer of a Membership Interest as described in Section 743 of the Code occurs, on written request of any transferee Member, or if a distribution of Company property is made on which gain described in Section 734(b)(1)(A) of the Code is recognized or there is an excess of adjusted basis as described in Section 734(b)(1)(B) of the Code, to elect, pursuant to Section 754 of the Code, to adjust the basis of Company properties;
- (4) to elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company ratably over a period of 60 months as permitted by Sections 195 and 709(b) of the Code; and
- (5) any other election the Manager may deem appropriate and in the best interests of the Members.

(b) Neither the Company nor any Manager or Member may make an election for the Company to be taxable as a corporation for Federal income tax purposes or 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 shall be construed to sanction or approve such an election.

**4.10. Tax Matters Partner.** If the Company is subject to the consolidated audit procedures of Sections 6221 to 6234 of the Code, the Manager shall be the "tax matters partner" of the Company pursuant to Section 6231(a)(7) of the Code, except that, if the Manager is not a Member, the "tax matters partner" shall be a Member that is designated as such by vote of the Members. Any Member who serves as tax matters partner shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of Section 6223 of the Code. The Company shall reimburse the tax

matters partner for any costs incurred representing the interests of the Members in respect of Company tax matters.

4.11. **Tax Withholding.** Unless treated as a Tax Payment Loan, any amount paid by the Company for or with respect to any Member on account of any withholding tax or other tax payable with respect to the income, profits or distributions of the Company pursuant to the Code, the Treasury Regulations, or any state or local statute, regulation or ordinance requiring such payment (each a "Withholding Tax Act") shall be treated as a distribution to the Member for all purposes of this Agreement. To the extent that the amount required to be remitted by the Company under a Withholding Tax Act exceeds the amount then otherwise distributable to the Member, the excess shall constitute a loan from the Company to the Member (a "Tax Payment Loan"). Each Tax Payment Loan shall be payable upon demand and shall bear interest, from the date that the Company makes the payment to the relevant taxing authority, at the applicable Federal short-term rate under Section 1274(d)(1) of the Code, determined and compounded semiannually. So long as any Tax Payment Loan or the interest thereon remains unpaid, the Company shall make future distributions due to the Member under this Agreement by applying the amount of any such distribution first to the payment of any unpaid interest on all Tax Payment Loans of the Member and then to the repayment of the principal of all Tax Payment Loans of the Member. The Members shall take all actions necessary to enable the Company to comply with the provisions of any Withholding Tax Act applicable to the Company and to carry out the provisions of this subsection.

## ARTICLE V- MANAGEMENT

### 5.01. **Management by Manager.**

(a) **Exclusive Responsibility.** The management of the business and affairs of the Company shall be the sole and complete responsibility of the Manager. A Member, as such, shall not take part in, or interfere in any manner with, the management, conduct or control of the business and affairs of the Company, and shall not have any right or authority to act for or bind the Company. The Company may act only by actions taken by or under the direction of the Manager in accordance with this Agreement.

(b) **Delegation.** The Manager may delegate the right, power and authority to manage the day-to-day business, affairs, operations and activities of the Company to any officer, employee or agent of the Company, subject to the ultimate direction, control and supervision of the Manager. If the Manager appoints an officer of the Company with a title that is commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made by the Manager. Any number of offices may be held by the same Person. The salaries and other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Manager.

(c) **Limitation.** Notwithstanding subsection (a), the Manager shall not without first receiving the affirmative vote of 51% of the votes cast by all Members:

- (1) issue additional Membership Interests;

5.02. **Non-exclusive Service.** The Manager need not devote services to the Company on a substantially full time basis and need only devote so much time to the Company's activities as the Manager determines to be necessary for the efficient conduct thereof.

5.03. **Removal; Substitute Manager.**

(a) **Removal of the Manager.** At any meeting of Members at which a quorum of Members is present called expressly for that purpose, or pursuant to a written consent adopted pursuant to this Agreement, the Manager may be removed from the position of Manager (but not as a Member), with cause, by vote of the Members holding at least 60% of the outstanding Percentage Interests. Action to remove the Manager shall not be effective until a replacement Manager has been elected by the Members.

(b) **Substitute Manager.** The Manager may not withdraw from the position of Manager without the prior vote, consent or agreement of Members holding at least 51% of the outstanding Percentage Interests. The vote, consent or agreement of the Members shall not be required for the transfer, as a whole, of the Membership Interest of the Manager to, and the substitution as the Manager of, any affiliate of the Manager.

5.04. **Conflicts of Interest.**

(a) **Other Business Opportunities.** Subject to the other express provisions of this Agreement, the Manager may engage in and possess interests in other business ventures of any and every type and description, independently or with others, except ones in competition with the Company, with no obligation to offer to the Company or any Member or Manager the right to participate therein.

(b) **Interested Transactions.** A contract or transaction between the Company and the Manager or one or more of its officers or between the Company and another domestic or foreign association in which the Manager or one or more of its officers have a management role or a financial or other interest, shall not be void or voidable solely for that reason, or solely because the Manager or officer participates in the authorization of the contract or transaction, if:

- (1) if the Manager is not a party to the contract or transaction, the material facts as to the relationship or interest and as to the transaction are disclosed or known to the Manager and the Manager authorizes the contract or transaction;
- (2) the material facts as to the relationship or interest and as to the transaction are disclosed or known to the Members entitled to vote thereon and the

contract or transaction is specifically approved in good faith by vote of those Members; or

(3) the contract or transaction is fair to the Company as of the time it is authorized, approved or ratified by the Manager or the Members.

5.05. Limitation of Liability. The Manager shall not be personally liable, as such, for monetary damages (other than under criminal statutes and under Federal, state and local laws imposing liability on managers for the payment of taxes) for any action taken, or any failure to take any action, unless the person's conduct constitutes self-dealing, willful misconduct or recklessness. No amendment or repeal of this Section shall apply to or have any effect on the liability or alleged liability of any person who is or was the Manager of the Company for or with respect to any acts or omissions of the Manager occurring prior to the effective date of such amendment or repeal. If the Act is amended to permit a Pennsylvania limited liability company to provide greater protection from personal liability for its managers than the express terms of this Section, this Section shall be construed to provide for such greater protection.

## ARTICLE VI- MEMBERS

6.01. Voting Rights of Members. Each Member shall be entitled to cast that number of votes on each action to be taken by vote of the Members as shall equal the Percentage Interest of the Member times 100 (for example, a Member whose Percentage Interest is 35% shall be entitled to cast 35 votes).

6.02. Action by Members. Except as otherwise provided in the Act, the Certificate or this Agreement, whenever any action is to be taken by vote of the Members, it shall be authorized upon receiving the affirmative vote of a majority of the votes cast by all Members entitled to vote thereon. Recording the fact of abstention does not constitute casting a vote.

6.03. Meetings of Members.

(a) Quorum. A meeting of the Members shall not be organized for the transaction of business unless a quorum is present. The presence of Members entitled to cast at least a majority of the votes that all Members are entitled to cast on a particular matter to be acted upon at the meeting shall constitute a quorum for the purposes of consideration and action on the matter. The Members present at a duly organized meeting can continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, the Members present may adjourn the meeting to such time and place as they may determine.

(b) Location. All meetings of the Members shall be held at the principal place of business of the Company or at such other place within or without the Commonwealth of Pennsylvania as shall be specified or fixed in the notice thereof.

(c) **Adjournment.** The chairman of the meeting or the Members present and entitled to vote shall have the power to adjourn a meeting from time to time, without any notice other than announcement at the meeting of the time and place at which the adjourned meeting will be held.

(d) **Call of Meetings.** A meeting of the Members for any proper purpose or purposes may be called at any time by the Manager or by Members entitled to cast at least 51% of the votes that all Members are entitled to cast at the particular meeting. Only business within the purpose or purposes described in the notice of the meeting may be conducted at a meeting of the Members. The notice shall specify the time and location of the meeting.

(e) **Notices.** Notice of a meeting of Members shall be given to the Members either personally or by sending a copy thereof:

(1) By first class or express mail, postage prepaid, or courier service, charges prepaid, to the postal address of each Member appearing on the books of the Company. Notice pursuant to this paragraph shall be deemed to have been given when deposited in the United States mail or with the courier service.

(2) By facsimile transmission, e-mail or other electronic communication to the facsimile number or address for e-mail or other electronic communications supplied by a Member to the Company for the purpose of notice. Notice pursuant to this paragraph shall be deemed to have been given when sent.

(f) **Waiver of Notice.** A waiver of notice of a meeting signed by the Member entitled to the notice, whether before or after the meeting, shall be deemed equivalent to the giving of the notice. Attendance of a Member at a meeting constitutes a waiver of notice of the meeting, except where a Member attends a 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.

#### 6.04. **Proxies.**

(a) **General Rule.** Every Member entitled to vote at a meeting of the Members or to express consent or dissent without a meeting may authorize another Person to act for the Member by proxy. The presence of, or vote or other action at a meeting of Members by, or the expression of consent or dissent by, a proxy of a Member shall constitute the presence of, or vote or action by, or consent or dissent of the Member.

(b) **Minimum Requirements.** Every proxy shall be executed by the Member or by the duly authorized attorney-in-fact of the Member and filed with the Manager. A telegram, telex, cablegram or other electronic transmission by the Member, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by the Member shall be treated as properly executed for purposes of this section if it sets forth a

confidential and unique identification number or other mark furnished by the Company to the Member for the purposes of a particular meeting or transaction.

(c) **Revocation.** A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice thereof has been given to the Manager. An unrevoked proxy shall not be valid after three years from the date of its execution unless a longer time is expressly provided in the proxy. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of the death or incapacity is given to the Manager.

**6.05. Conduct of Meetings.** All meetings of the Members shall be presided over by the Manager, a Person designated by the Manager or, in the absence of the Manager or a Person designated by the Manager, a person chosen by the Members present. The Person presiding at the meeting shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order.

**6.06. Action by Consent or Remote Participation.**

(a) **Action by Consent.** Any action required or permitted to be taken at a meeting of Members may be taken without a meeting, without prior notice, and without a vote, upon the consent of Members who would have been entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all Members entitled to vote thereon were present and voting. The consents shall be in writing or in electronic form and shall be filed with the Manager. An action taken by less than unanimous consent of the Members shall not become effective until after at least ten days' written notice of the action has been given to each Member entitled to vote thereon who has not consented thereto.

(b) **Remote Participation.** The presence or participation, including voting and taking other action, at a meeting of Members, by conference telephone or other electronic means, including without limitation the Internet, shall constitute the presence of, or vote or action by, the Member.

**6.07. Voting by Joint Holders.** Where a Membership Interest is held in any form of joint or common ownership by two or more Persons:

(1) if less than all of those Persons are present in person or by proxy at a meeting of the Members, the entire Membership Interest held in joint or common ownership shall be deemed to be represented at the meeting and the Company shall accept as the vote of that Membership Interest the vote cast by a majority of those Persons present; and

(2) if the Persons are equally divided upon whether the Membership Interest held by them shall be voted or upon the manner of voting the Membership

Interest, the voting of the Membership Interest shall be divided equally among the Persons without prejudice to the rights of those Persons among themselves.

6.08. **Liability of Members.** The Members, as such, shall not be liable for the debts, obligations or liabilities of the Company except to the extent required by the Act.

#### ARTICLE VII- INDEMNIFICATION OF MANAGERS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

7.01. **Indemnification.** The Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, including without limitation actions by or in the right of the Company, whether civil, criminal, administrative or investigative, by reason of the fact that the Person is or was the Manager or an officer of the Company, or is or was serving while the Manager or an officer of the Company at the request of the Company as a director, manager, officer, employee, agent, fiduciary or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, against all liabilities, expenses (including without limitation attorneys' fees), judgments, fines, excise taxes and amounts paid in settlement in connection with the action or proceeding unless the act or failure to act by the Person giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness. The Company shall have the power to indemnify employees and agents of the Company on the same basis as provided in this section with respect to the Manager and officers, and to advance expenses to employees and agents on the same basis as provided in Section 7.02, as the Manager may from time to time determine or authorize.

7.02. **Advancement of Expenses.** Expenses (including without limitation attorneys' fees) incurred by any Person who was or is the Manager or an officer of the Company in defending any action or proceeding referred to in Section 7.01 shall automatically be paid by the Company, without the need for action by the Manager, in advance of the final disposition of the action or proceeding upon receipt of an undertaking by or on behalf of the Person to repay the amount advanced if it shall ultimately be determined that the Person is not entitled to be indemnified by the Company.

7.03. **Exception.** Notwithstanding anything in this Article VII to the contrary, the Company shall not be obligated to indemnify any Person under Section 7.01 or advance expenses under Section 7.02 with respect to proceedings, claims or actions commenced by any Person, other than mandatory counterclaims and affirmative defenses.

7.04. **Interpretation.** The indemnification and advancement of expenses provided by or pursuant to this Article VII shall not be deemed exclusive of any other rights to which any Person seeking indemnification or advancement of expenses may be entitled under any insurance policy, agreement, vote of Members, approval of the Manager, or otherwise, both as to actions in the Person's official capacity and as to actions in another

capacity while holding an office, and shall continue as to a Person who has ceased to be the Manager or an officer and shall inure to the benefit of the heirs, executors and administrators of the Person. If the Act is amended to permit a Pennsylvania limited liability company to provide greater rights to indemnification and advancement of expenses for its managers and officers than the express terms of this Article VII, this Article VII shall be construed to provide for such greater rights.

**7.05. Contract.** The duties of the Company to indemnify and to advance expenses to the Manager or an officer as provided in this Article VII shall be in the nature of a contract between the Company and each such Person, and no amendment or repeal of any provision of this Article VII shall alter, to the detriment of such Person, the right of the Person to the advancement of expenses or indemnification related to a claim based on an act or failure to act that took place prior to the amendment or repeal or the termination of the service of the Person as the Manager or officer, whichever is earlier.

## **ARTICLE VIII- BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS**

### **8.01. Maintenance of Books.**

**(a) Financial Records.** The Company shall keep books and records of accounts which shall be maintained on a cash basis, or such other method as is required for Federal income tax purposes, in accordance with the terms of this Agreement, except that the Capital Accounts of the Members shall be maintained in accordance with Section 4.08.

**(b) Company Records.** In addition to the financial records required to be maintained under subsection (a), the Company shall keep the following records:

- (1) A list setting forth the full name and last known mailing address of each Member and the Manager.**
- (2) A copy of the Certificate and all amendments thereto.**
- (3) Copies of all of the Company's Federal, state and local income tax returns and annual financial statements.**
- (4) Copies of the currently effective written Operating Agreement, and all amendments thereto, and copies of any operating agreements no longer in effect.**
- (5) Minutes of the proceedings of the Members.**

### **8.02. Reports.**

**(a) In General.** The Manager shall be responsible for the preparation of financial reports of the Company and for the coordination of the financial matters of the Company with the Company's certified public accountants. The financial statements

described in subsections (b) and (c) shall be prepared in accordance with accounting principles generally employed when financial records are kept on the cash basis. The Company shall bear the costs of preparing the reports required by subsections (b) and (c).

(b) **Annual Reports.** On or before the 90<sup>th</sup> day following the end of each fiscal year of the Company, the Manager shall cause each Member to be furnished with a balance sheet, an income statement, and a statement of changes in Members' capital of the Company for, or as of the end of, that year, which have been reviewed or audited by the Company's certified public accountants.

(c) **Quarterly Reports.** On or before the 60<sup>th</sup> day following the end of each calendar quarter, the Manager shall cause each Member to be furnished with a balance sheet, an income statement, and a statement of changes in Members' capital of the Company for, or as of the end of, that calendar quarter, which have been prepared internally by the Company.

(d) **Other Reports.** The Manager also may cause to be prepared or delivered such other reports as the Manager may deem appropriate.

8.03. **Financial Accounts.** The Manager shall establish and maintain one or more separate bank and investment accounts in the Company name with financial institutions and firms that the Manager determines. The Manager may not commingle the Company's funds with the funds of any Member; however, Company funds may be invested in a manner the same as or similar to the Managers' investment of the Manager's own funds or investments.

## ARTICLE IX- DISSOLUTION, LIQUIDATION, AND TERMINATION

9.01. **Dissolution.** The Company shall dissolve, and its affairs shall be wound up, upon the first to occur of the following:

- (1) the affirmative vote, consent or agreement of the Members holding at least 51% of the outstanding Percentage Interests; or
- (2) the entry of an order of judicial dissolution of the Company under Section 8972 of the Act.

### 9.02. **Liquidation and Termination.**

(a) **Procedure.** On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more representatives or Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the

Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidator are as follows:

(1) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(2) the liquidator shall first pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company to its creditors (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.03) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine), all in accordance with the provisions of the Act as may be applicable;

(3) after all of the payments required by paragraph (2) have been made, any remaining assets of the Company shall be distributed to the Members as follows:

(i) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the Capital Accounts of the Members;

(ii) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the Capital Accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the Capital Accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(iii) after completion of the steps in subparagraphs (i) and (ii), the remaining assets shall be distributed to the Members in an amount equal to the credit balance in each of their Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods.

(b) Distributions. All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities relating to the assets distributed in kind theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributees pursuant to this section. The distribution of cash and/or property to a Member in accordance with the provisions of this section constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its

Membership Interest in all the Company's property. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

9.03. **Deficit Capital Accounts.** Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the Capital Account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation), or distributions of money pursuant to this Agreement to all Members in proportion to their respective Percentage Interests, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

9.04. **Certificate of Dissolution.** On completion of the liquidation of Company assets as provided herein, the Company is terminated, and the Manager (or such other person or persons as the Act may require or permit) shall file a Certificate of Dissolution with the Department of State of the Commonwealth of Pennsylvania and take such other actions as may be necessary to terminate the existence of the Company.

## ARTICLE X- GENERAL PROVISIONS

### 10.01. **Notices.**

(a) **To the Members.** Any notice required to be given to a Member under the provisions of this Agreement or by the Act shall be given either personally or by sending a copy thereof:

(1) By first class or express mail, postage prepaid, or courier service, charges prepaid, to the postal address of the Member appearing on the books of the Company. Notice pursuant to this paragraph shall be deemed to have been given to the Member when deposited in the United States mail or with a courier service for delivery to the Member.

(2) By facsimile transmission, e-mail or other electronic communication to the Member's facsimile number or address for e-mail or other electronic communications supplied by the Member to the Company for the purpose of notice. Notice pursuant to this paragraph shall be deemed to have been given to the Member when sent.

(b) **To the Manager or the Company.** Any notice to the Company or the Manager must be given to the Manager at the following address: **911 LIGONIER STREET, SUITE 006, LATROBE, PENNSYLVANIA 15650.**

10.02. **Entire Agreement.** This Agreement constitutes the entire agreement among the Members with respect to the subject matter hereof and supersedes all prior

agreements, express or implied, oral or written, with respect thereto. The express terms of this Agreement control and supersede any course of performance or usage of trade inconsistent with any of the terms hereof.

**10.03. 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. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the period of the applicable statute of limitations has run.

**10.04. Amendment.** This Agreement or the Certificate may be amended from time to time only with the approval of the Manager, and by vote of a majority (51%) of the Members, at any meeting of the Members.

**10.05. Binding Effect and Rights of Third Parties.** This Agreement has been adopted to govern the operation of the Company, and shall be binding on and inure to the benefit of the Members and their respective heirs, personal representatives, successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person, except a Person entitled to indemnification, contribution or advancement of expenses under Article VII. Except and only to the extent provided by applicable statute no such creditor or other Person shall have any rights under this Agreement.

**10.06. Governing Law.** This Agreement shall be governed by and interpreted and enforced in accordance with the substantive laws of the Commonwealth of Pennsylvania (including, without limitation, provisions concerning limitations of actions), without reference to the conflicts of laws rules of that or any other jurisdiction, except that Federal laws shall also apply to the extent relevant.

**10.07. Severability.** 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 shall not be affected thereby and that provision shall be enforced to the greatest extent permitted by law.

**10.08. Arbitration.** All disputes arising under this Agreement shall promptly be submitted to arbitration in Westmoreland County, Pennsylvania, before one arbitrator in accordance with the rules of the American Arbitration Association. The arbitrator may assess costs, including counsel fees, in such manner as the arbitrator deems fair and equitable. The award of the arbitrator shall be final and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction.

**10.09. Construction.** Whenever the context requires, the gender of any word used in this Agreement includes the masculine, feminine or neuter, and the number of any word includes the singular or plural. All references to articles and sections refer to articles and sections of this Agreement, and all references to annexes are to annexes attached hereto, each of which is made a part hereof for all purposes. The headings in this Agreement are for convenience only; they do not form a part of this Agreement and shall not affect its interpretation.

**IN WITNESS WHEREOF,** the initial Member of the Company has caused this Agreement to be executed as of the day and year first above written.

**MEMBERS:**

  
**JOSEPH LANATOVICH**

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**Annex A**

**Name and Address of Each Member**

**Percentage Interest**

**JOSEPH LANATOVICH**  
244 Pittsburgh Street  
Derry, Pennsylvania 15627

**100%**

**Date:**

10/22/20

1  
2  
3 **Annex B**

4  
5 **FINANCIAL AND TAX MATTERS**

6 **B.1. Definitions.** In addition to the terms defined in other provisions of this  
7 Agreement, including without limitation Section 1.01, the following terms shall have the  
8 meanings set forth below:

9 "Adjusted Capital Account Deficit" shall mean with respect to any Member, the  
10 deficit balance, if any, in the Member's Capital Account as of the end of the relevant  
11 taxable year, after giving effect to the following adjustments (i) increasing the Capital  
12 Account by any amounts that the Member is obligated to restore or is deemed to be  
13 obligated to restore pursuant to Treas. Reg. Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and  
14 1.704-2(i)(5); and (ii) reducing the Capital Account by the items described in Treas. Reg.  
15 Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital  
16 Account Deficit is intended to comply with the provisions of Treas. Reg. Section 1.704-  
17 1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

18  
19 "Business Day" means any day other than a Saturday, a Sunday, or a holiday on  
20 which national banking associations in the Commonwealth of Pennsylvania are closed.

21  
22 "Company Minimum Gain" has the same meaning as "partnership minimum gain"  
23 set forth in Treas. Reg. Sections 1.704-2(b)(2) and 1.704-2(d).

24  
25 "Depreciation" shall mean for each taxable year or other period, an amount equal  
26 to the depreciation, amortization or other cost recovery deduction allowable with respect to  
27 an asset for such year or other period, except that if the Gross Asset Value of an asset  
28 differs from its adjusted basis for Federal income tax purposes at the beginning of such  
29 year or other period, Depreciation shall be an amount which bears the same ratio to such  
30 beginning Gross Asset Value as the Federal income tax depreciation, amortization or other  
31 cost recovery deduction for such year or other period bears to such beginning adjusted tax  
32 basis; provided, however, that if the Federal income tax depreciation, amortization, or  
33 other cost recovery deduction for such year is zero, Depreciation shall be determined with  
34 reference to such beginning Gross Asset Value using any reasonable method selected by the  
35 Manager, and if the Company uses the "remedial allocation method" under Treas. Reg.  
36 Section 1.704-3(d) with respect to any asset, Depreciation for that asset shall be computed  
37 in accordance with Treas. Reg. Section 1.704-3(d)(2).

38  
39 "Excess Nonrecourse Liabilities" has the same meaning as set forth in Treas. Reg.  
40 Section 1.752-3(a)(3).

41  
42 "Gross Asset Value" with respect to any asset shall mean the asset's adjusted basis  
43 for Federal income tax purposes, except as follows:  
44

1           (1)    The initial Gross Asset Value of any asset contributed by a Member to  
2 the Company shall be the gross fair market value of the asset, as determined by the  
3 contributing Member and the Company.  
4

5           (2)    The Gross Asset Values of all Company assets shall be adjusted to  
6 equal their respective gross fair market values, as determined by the Manager, as of  
7 the following times:  
8

9                   (i)    the acquisition of an additional interest in the Company by any  
10 new or existing Member in exchange for more than a de minimis  
11 contribution of money or other property;  
12

13                   (ii)   the distribution by the Company to a Member of more than a  
14 de minimis amount of money or other property as consideration for an  
15 interest in the Company;  
16

17                   (iii)   the liquidation of the Company for Federal income tax  
18 purposes within the meaning of Treas. Reg. Section 1.704-1(b)(2)(ii)(g);  
19

20 except that the adjustments pursuant to clauses (i) and (ii) above shall be made only  
21 if the Manager reasonably determines that such adjustments are necessary or  
22 appropriate to reflect the relative economic interests of the Members in the  
23 Company.  
24

25           (3)    The Gross Asset Value of any Company asset distributed to any  
26 Member shall be the gross fair market value of such asset on the date of  
27 distribution.  
28

29           (4)    The Gross Asset Values of Company assets shall be increased (or  
30 decreased) to reflect any adjustments to the adjusted basis of those assets pursuant  
31 to Code Section 734(b) or Code Section 743(b), but only to the extent that the  
32 adjustments are taken into account in determining Capital Accounts pursuant to  
33 Treas. Reg. Section 1.704-1(b)(2)(iv)(m) and Section B.2, except that Gross Asset  
34 Values shall not be adjusted pursuant to this paragraph (4) to the extent the  
35 Manager determines that an adjustment pursuant to paragraph (2) is necessary or  
36 appropriate in connection with a transaction that would otherwise result in an  
37 adjustment pursuant to this paragraph (4).  
38

39           (5)    If the Gross Asset Value of an asset has been determined pursuant to  
40 paragraphs (1), (2), or (4), that Gross Asset Value shall thereafter be adjusted by the  
41 Depreciation taken into account with respect to that asset for purposes of computing  
42 Profits and Losses.  
43

44           “Member Nonrecourse Debt” has the same meaning as “partner nonrecourse debt”  
45 set forth in Treas. Reg. Sections 1.704-2(b)(4) and 1.704-2(i).  
46

1           **“Member Nonrecourse Debt Minimum Gain” shall have the same meaning as**  
2 **“partner nonrecourse debt minimum gain” set forth in Treas. Reg. Section 1.704-2(i) and**  
3 **shall be determined in accordance with the principles of that Section.**  
4

5           **“Member Nonrecourse Deductions” has the same meaning as “partner nonrecourse**  
6 **deductions” set forth in Treas. Reg. Sections 1.704-2(i)(1) and 1.704-2(i)(2).**  
7

8           **“Nonrecourse Deductions” are deductions having the meaning set forth in Treas.**  
9 **Reg. Sections 1.704-2(b)(1) and 1.704-2(c).**  
10

11           **“Profits and Losses” shall mean for each taxable year or other period, an amount**  
12 **equal to the Company’s taxable income or loss for that year or period, determined in**  
13 **accordance with Code Section 703(a) (for these purposes, all items of income, gain, loss, or**  
14 **deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be**  
15 **included in taxable income or loss), with the following adjustments:**  
16

17           (1)     **Any income of the Company that is exempt from Federal income tax**  
18 **and not otherwise taken into account in computing Profits or Losses pursuant to the**  
19 **foregoing shall be added to such taxable income or loss.**  
20

21           (2)     **Any expenditures of the Company described in Code Section**  
22 **705(a)(2)(B) or that are treated as Code Section 705(a)(2)(B) expenditures pursuant**  
23 **to Treas. Reg. Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in**  
24 **computing Profits or Losses pursuant to the foregoing shall be subtracted from such**  
25 **taxable income or loss.**  
26

27           (3)     **In the event the Gross Asset Value of any Company asset is adjusted**  
28 **pursuant to paragraph (2), (3) or (4) of the definition of Gross Asset Value, the**  
29 **amount of the adjustment shall be taken into account as gain or loss from the**  
30 **disposition of the asset for purposes of computing Profits or Losses.**  
31

32           (4)     **Gain or loss resulting from any disposition of Company property with**  
33 **respect to which gain or loss is recognized for Federal income tax purposes shall be**  
34 **computed by reference to the Gross Asset Value of the property disposed of,**  
35 **notwithstanding that the adjusted tax basis of the property differs from its Gross**  
36 **Asset Value.**  
37

38           (5)     **In lieu of the depreciation, amortization, and other cost recovery**  
39 **deductions taken into account in computing such taxable income or loss, there shall**  
40 **be taken into account Depreciation for the taxable year or other period, computed**  
41 **in accordance with the definition of Depreciation under this Agreement.**  
42

43           (6)     **Notwithstanding the above, any items that are specially allocated**  
44 **pursuant to Sections B.5, B.6 or B.7 shall not be taken into account in computing**  
45 **Profits and Losses.**  
46

1           **B.2. Preparation and Maintenance of Capital Accounts.**

2  
3           **(a) The Capital Account for each Member shall:**

4  
5                   **(1) be increased by (i) the amount of money contributed by that Member**  
6 **to the Company, (ii) the fair market value of property contributed by that Member**  
7 **to the Company (net of liabilities secured by the contributed property that the**  
8 **Company is considered to assume or take subject to under Section 752 of the Code),**  
9 **and (iii) allocations to that Member of Profits and any other Company income and**  
10 **gain (or items thereof), including income and gain exempt from tax and income and**  
11 **gain described in Treas. Reg. Section 1.704-1(b)(2)(iv)(g), and**

12  
13                   **(2) be decreased by (i) the amount of money distributed to that Member**  
14 **by the Company, (ii) the fair market value of property distributed to that Member**  
15 **by the Company (net of liabilities secured by the distributed property that the**  
16 **Member is considered to assume or take subject to under Section 752 of the Code),**  
17 **and (iii) allocations of Losses and any other Company loss and deduction (or items**  
18 **thereof), including loss and deduction described in Treas. Reg. Section 1.704-**  
19 **(1)(b)(2)(iv)(g).**

20  
21           **(b) The Members' Capital Accounts also shall be maintained and adjusted as**  
22 **permitted by the provisions of Treas. Reg. Section 1.704-1(b)(2)(iv)(f) and as required by**  
23 **the other provisions of Treas. Reg. Sections 1.704-1(b)(2)(iv) and 1.704-1(b)(4), including**  
24 **adjustments to reflect the allocations to the Members of depreciation, depletion,**  
25 **amortization, and gain or loss as computed for book purposes rather than the allocation of**  
26 **the corresponding items as computed for tax purposes, as required by Treas. Reg. Section**  
27 **1.704-1(b)(2)(iv)(g). On the transfer or all or part of a Membership Interest, the Capital**  
28 **Account of the transferor that is attributable to the transferred Membership Interest or**  
29 **part thereof shall carry over to the transferee Member in accordance with the provisions of**  
30 **Treas. Reg. Section 1.704-1(b)(2)(iv)(1).**

31  
32           **B.3. Profits. After giving effect to the special allocations set forth in Sections B.5**  
33 **and B.6, Profits for any taxable year shall be allocated to the Members in proportion to**  
34 **their Percentage Interests, except that the Manager may provide in connection with a grant**  
35 **of Membership Interests ("Profits Interests") to an employee or Person serving as a**  
36 **Manager that any gain attributable to appreciation of Company assets before the date of**  
37 **the grant shall be allocated only to Membership Interests other than those that are the**  
38 **subject of the grant. The Company shall identify on Annex A those Membership Interests**  
39 **that are Profits Interests and their date of grant.**

40  
41           **B.4. Losses. After giving effect to the special allocations set forth in Sections B.5**  
42 **and B.6, Losses for any taxable year shall be allocated as set forth in paragraph (1) below,**  
43 **subject to the limitation in paragraph (2) below.**

44  
45                   **(1) Losses for any taxable year shall be allocated to the Members in**  
46 **proportion to their Percentage Interests.**

1           (2)    The Losses allocated pursuant to paragraph (1) shall not exceed the  
2 maximum amount of Losses that can be so allocated without causing any Member to  
3 have an Adjusted Capital Account Deficit at the end of any taxable year. In the  
4 event some but not all of the Members would have Adjusted Capital Account  
5 Deficits as a consequence of an allocation of Losses pursuant to paragraph (1), the  
6 limitation set forth in this paragraph (2) shall be applied on a Member by Member  
7 basis so as to allocate the maximum permissible Losses to each Member under  
8 Treas. Reg. Section 1.704-1(b)(2)(ii)(d).  
9

10        **B.5.   Special Allocations.** The following special allocations shall be made in the  
11 following order:  
12

13           (1)    Minimum Gain Chargeback. Notwithstanding any other provision of  
14 this Annex B, if there is a net decrease in Company Minimum Gain during any  
15 Company taxable year, each Member shall be specially allocated items of Company  
16 income and gain for such year (and, if necessary, subsequent years) in accordance  
17 with Treas. Reg. Section 1.704-2(f). Allocations pursuant to the previous sentence  
18 shall be made in proportion to the respective amounts required to be allocated to  
19 each Member pursuant thereto. This Section B.5(1) is intended to comply with the  
20 minimum gain chargeback requirement in Treas. Reg. Section 1.704-2(f) and shall  
21 be interpreted consistently therewith.  
22

23           (2)    Member Minimum Gain Chargeback. Notwithstanding any other  
24 provision of this Agreement except Section B.5(1), if there is a net decrease in  
25 Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse  
26 Debt during any Company taxable year, each Member who has a share of the  
27 Member Nonrecourse Debt Minimum Gain attributable to such Member  
28 Nonrecourse Debt, determined in accordance with Treas. Reg. Section 1.704-2(i)(5),  
29 shall be specially allocated items of Company income and gain for such year (and, if  
30 necessary, subsequent years) in accordance with Treas. Reg. Section 1.704-2(i)(4).  
31 Allocations pursuant to the previous sentence shall be made in proportion to the  
32 respective amounts required to be allocated to each Member pursuant thereto. The  
33 items to be so allocated shall be determined in accordance with Treas. Reg. Section  
34 1.704-2(i)(4). This Section B.5(2) is intended to comply with the minimum gain  
35 chargeback requirement in Treas. Reg. Section 1.704-2(i)(4) and shall be interpreted  
36 consistently therewith.  
37

38           (3)    Qualified Income Offset. In the event any Member unexpectedly  
39 receives any adjustments, allocations, or distributions described in Treas. Reg.  
40 Section 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) that  
41 would create an Adjusted Capital Account Deficit for such Member, items of  
42 Company income and gain shall be specially allocated to each such Member in an  
43 amount and manner sufficient to eliminate, to the extent required by the Treasury  
44 Regulations, the Adjusted Capital Account Deficit of such Member as quickly as  
45 possible, provided that an allocation pursuant to this Section B.5(3) shall be made if  
46 and only to the extent that such Member would have an Adjusted Capital Account

1 Deficit after all other allocations provided for in this Agreement have been  
2 tentatively made as if this Section B.5(3) were not in the Agreement.  
3

4 (4) Gross Income Allocation. In the event any Member has an Adjusted  
5 Capital Account Deficit at the end of any Company taxable year, each such Member  
6 shall be specially allocated items of Company income and gain in the amount of  
7 such excess as quickly as possible, provided that an allocation pursuant to this  
8 Section B.5(4) shall be made if and only to the extent that such Member would have  
9 an Adjusted Capital Account Deficit after all other allocations provided for in this  
10 Agreement have been tentatively made as if Section B.5(3) and this Section B.5(4)  
11 were not in the Agreement.  
12

13 (5) Nonrecourse Deductions. Nonrecourse Deductions for any taxable  
14 year or other period shall be allocated among the Members in proportion to their  
15 respective Percentage Interests.  
16

17 (6) Member Nonrecourse Deductions. Any Member Nonrecourse  
18 Deductions for any taxable year or other period shall be specially allocated to the  
19 Member who bears the economic risk of loss with respect to the Member  
20 Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable  
21 in accordance with Treas. Reg. Section 1.704-2(i).  
22

23 (7) Excess Nonrecourse Liabilities. The Excess Nonrecourse Liabilities of  
24 the Company shall be allocated among the Members in accordance with their  
25 respective Percentage Interests.  
26

27 B.6. Curative Allocations. The allocations set forth in Section B.4(2) and in  
28 Section B.5 (the "Regulatory Allocations") are intended to comply with certain  
29 requirements of Treas. Reg. Section 1.704-1(b). Notwithstanding any other provisions of  
30 this Agreement (other than the Regulatory Allocations), the Regulatory Allocations shall be  
31 taken into account in allocating Profits, Losses, and items of income, gain, loss, and  
32 deduction among the Members so that, to the extent possible, the net amount of such  
33 allocations of Profits, Losses and other items and the Regulatory Allocations to each  
34 Member shall be equal to the net amount that would have been allocated to each such  
35 Member if the Regulatory Allocations had not occurred. Notwithstanding the preceding  
36 sentence, Regulatory Allocations relating to (i) Nonrecourse Deductions shall not be taken  
37 into account except to the extent that there has been a reduction in Company Minimum  
38 Gain, and (ii) Member Nonrecourse Deductions shall not be taken into account except to  
39 the extent that there has been a reduction in Member Nonrecourse Debt Minimum Gain.  
40

41 B.7. Tax Allocations: Code Section 704(c).  
42

43 (a) In accordance with Code Section 704(c) and the Treasury Regulations  
44 thereunder, income, gain, loss and deduction with respect to any property contributed to  
45 the capital of the Company shall, solely for tax purposes, be allocated among the Members

1 so as to take account of any variation between the adjusted basis of such property to the  
2 Company for Federal income tax purposes and its initial Gross Asset Value.  
3

4 (b) In the event the Gross Asset Value of any Company asset is adjusted  
5 pursuant to paragraph (2) of the definition of Gross Asset Value, subsequent allocations of  
6 income, gain, loss and deduction with respect to such asset shall take account of any  
7 variation between the adjusted basis of such asset for Federal income tax purposes and its  
8 Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury  
9 Regulations thereunder.  
10

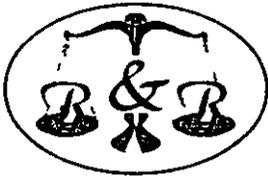
11 (c) Any elections or other decisions relating to allocations pursuant to this  
12 Section B.7 shall be made by the Manager in any manner that reasonably reflects the  
13 purpose and intention of this Agreement. Allocations pursuant to this Section B.7 are  
14 solely for purposes of Federal, state, and local taxes and shall not affect, or in any way be  
15 taken into account in computing, any Member's Capital Account or share of Profits,  
16 Losses, other items or distributions pursuant to any provision of this Agreement.  
17

18 **B.8. Miscellaneous Allocation Provisions.**  
19

20 (a) For purposes of determining the Profits, Losses or any other items allocable  
21 to any period, Profits, Losses and any such other items shall be determined on a daily,  
22 monthly or other basis, as determined by the Manager using any permissible method under  
23 Code Section 706 and the Treasury Regulations promulgated thereunder.  
24

25 (b) Except as otherwise provided in this Agreement, all items of Company  
26 income gain, loss, deduction, and any other allocations not otherwise provided for shall be  
27 divided among the Members in the same proportions as they share Profits or Losses, as the  
28 case may be, for the year.  
29

30 **B.9. Allocations on Dissolution.** Notwithstanding any other provision of this  
31 Agreement to the contrary, in the event of a dissolution of the Company, a sale or exchange  
32 of all or substantially all of its assets, or a conversion of the Company to a corporation,  
33 Profits and Losses for the taxable year that includes such event shall be allocated among  
34 the Members in such manner as to cause their Capital Accounts, as closely as possible, to  
35 be proportionate to their Percentage Interests.



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## VERIFICATION

I, Joseph M. Lanatovich, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Joseph M Lanatovich  
Signature

2-5-21  
Date

Sworn to and subscribed before me

This 5 day of February, 2021.

[Signature]

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FEB 16 2021  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Commonwealth of Pennsylvania - Notary Seal  
Laryn Sue Ankney, Notary Public  
Westmoreland County  
My commission expires July 20, 2022  
Commission number 1332627

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**TO:** Secretary  
PA Public Utility Commission  
400 North Street  
Harrisburg, PA 17120