69278-0

69278-0

NO. 69278-0-I

COURT OF APPEALS OF
THE STATE OF WASHINGTON
DIVISION I

Shumet Mekonen, Wondwossen Mersha, Tigabu Lakew, Habtamu Aboye, Yirga Belete, and Selamneh Ambaw,

Appellants / Cross-Respondents,

v.

Dessie Zewdu, Worku Asmare, Worku Melese, Bazazew Birhan, Motbayner Tebeje, Endale Andeno, Melaku Kebede, Nega Wondimagegn, Kassa Derar, Green Cab Taxi & Disabled Service Association LLC.

Respondents / Cross-Appellants.

Appeal from King County Superior Court
No. 10-2-36451-0 KNT

APPELLANTS' OPENING BRIEF

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I. INTRODUCTION AND SUMMARY

Appellants and the individual Respondents have been involved in a years-long struggle for control over the management of Green Cab Taxi & Disabled Service Association, LLC ("Green Cab"), a Washington State Limited Liability Company. Green Cab was formed in 2007 in order to bid on a contract with King County for an innovative approach to running a taxi service. In May, 2008 Green Cab was awarded the contract. In 2010 a battle for control over Green Cab erupted between two groups of its members. In late summer and fall 2010 there were a number of disputed elections for the Green Cab board of directors. The company effectively broke into two separate operating groups, with disputes arising over lease space, control over books and records, rights to the Green Cab phone number, payments, participation in the dispatch system, and other issues.

In October, 2010, members of the two groups initiated separate lawsuits in King County, which were subsequently consolidated. Following a 10 day trial, the jury returned damage award verdicts in favor of appellants in the total amount of $182,100, and in favor of respondent Green Cab in the amount of $18,600. The jury also returned a special verdict form deciding the facts concerning the validity of the elections. The court fashioned injunctive relief based on the jury's

findings on the special verdict form. The court determined that respondents were entitled to manage and operate Green Cab.

Appellants are not contesting any of the jury verdicts/judgments or the trial court's determination that respondents are entitled to manage and operate Green Cab. The issues on this appeal arise out of the trial court's venturing beyond the scope of what was pleaded, ruling that appellants were required to sell their membership interests to Green Cab, and setting a price of $5,078.57 per unit.

II. ASSIGNMENTS OF ERROR

A. Assignment of Error

1. The trial court erred in its August 24, 2012 Memorandum Decision in deciding issues other than those pleaded and submitted to the court for determination.

B. Issues Pertaining to Assignment of Error

1. Did the court err in determining that appellants had forfeited their rights to membership in Green Cab when the jury found that appellants had not breached the operating agreement and owed respondents nothing?

2. Did the court err in determining that Green Cab had the right to purchase the appellants' ownership interests in Green Cab when the jury found that appellants had not breached the operating agreement and owed respondents nothing, and the predicates for a forced sale had not occurred?

3. Did the court err in failing to strike from the record a hearsay declaration of an undisclosed witness when that declaration was never offered or admitted into evidence, was not even generated until after trial, and where appellants had no opportunity for discovery or cross-examination?

4. Did the court err in basing its determination of value of appellants' membership interests on a hearsay declaration of an undisclosed witness where that declaration provides no determination as to how the value was arrived at, provides no supporting documentation, and appellants had no opportunity for discovery or cross-examination?

III. STATEMENT OF THE CASE

Green Cab Taxi & Disabled Service Association, LLC ("Green Cab") is a taxi service formed in 2007, and operating in King County Washington. *See* **Ex. 1**, Operating Agreement of Green Cab Taxi & Disabled Service Association, LLC, **Appendix p. A-1** (references to the appendix hereinafter, "A-_"). Green Cab was formed in order to bid on an RFP with King County, which sought an alternative way to structure a taxi association. **Ex. 2**, Request for Proposal, The original members contributed $75,000 each, in cash or cars, in order to start Green Cab. **RP 7/23/12,** p.30. King County was issuing 50 licenses in connection with the proposal based in part on reports that taxi licenses were selling for $150,000 to $300,000. **Ex. 2,** Request for Proposal, p.5. Green Cab was the successful bidder on the RFP.

Green Cab's operating agreement provides that the LLC is operated by its board of directors. *See* **Ex. 1**, Operating Agreement, **A-9**. In August and September, 2010, there were a number of elections to the board, each of which was contested by two opposing groups of members. Because it is not relevant to the issues on which appellants have brought this appeal, no detailed factual history of these disputed elections is presented here.

The dispute over the elections led to a schism in the company, with two groups claiming to be the legitimate operators of Green Cab. The two groups had different offices, and different insurers. **RP 4/24/12**, pp. 95, 97. In approximately January, 2011, Respondents began operating a DDS system (a dispatch system for distributing calls to Green Cab taxis) separate from the appellants group. **RP 7/30/12** p.90. Respondents claimed they did this because appellants had not paid for the DDS, appellants denied they had not paid. From January, 2011, appellants paid no weekly fees to Green Cab. **Ex. 50**, RFA's to Minority Members by Defendants, RFA#15. Appellants alleged that respondents worked to keep appellants from operating out of a lucrative taxi stand in downtown Bellevue. **RP 7/24/12,** pp.33-39. As a result of not being able to work out of that stand, appellants suffered financially. **Id.**, p. 39.

In October 2010, members of the two sides each initiated litigation in King County, seeking damages and to have the court determine who had the right to manage Green Cab. **CP 1 – 17**, **CP 876-883**. Appellants filed a Complaint, an Amended Complaint, and an answer with counterclaims in the two suits. **CP 892-916**, **CP 18-42**. Respondents filed a Complaint and an Answer and Counterclaims. **CP 920-934**. The two cases were consolidated under cause #10-2-36451-0. **CP 497-499.**

Appellants ultimately advanced five claims to verdict, alleging: (1) breach of fiduciary duty; (2) tortious interference; (3) breach of contract; (4) unjust enrichment; and (5) permanent injunction. **RP 7/18/12 pp.19-20**. Respondents advanced claims alleging: (1) breach of contract; (2) breach of fiduciary duties; (3) tortious interference; (4) unjust enrichment; (5) conversion; and (6) injunctive relief. **RP 7/18/12, pp.21-24.**

Following 8 days of trial, on July 31, 2012 the appellants and respondents rested their cases. **RP 7/31 and 8/24/12 p.99**. On August 2, 2012, the jury returned special verdict forms A – J. **CP 211-233**. Generally speaking, the jury found in favor of appellants on the damage claims and in favor of respondents with respect to the elections. **CP 222-25**. They found all individual respondents had breached the operating agreement, and awarded appellant Shumet Mekonen damages. **CP 230-33**. The jury ruled appellants had not breached the contract. **CP 221**. The jury found that respondents breached their fiduciary duties against certain appellants, awarding damages to Shumet Mekonen and Wondwossen Mersha. **CP 217-220**. The jury rejected Green Cab's claim of breach of fiduciary duty against appellants. **CP 216**. The jury found in favor of appellants on their tortious interference claims against respondents, awarding damages to three appellants. **CP 234-237**. The jury did find in favor of Green Cab on their claim of tortious interference

against appellants. **CP 226**. The jury rejected both parties' claims of unjust enrichment, as well as respondents' conversion claim. **CP 211-215, 227**. The jury awarded appellants a total of $182,100 on their claims, and respondent Green Cab $18,600.

Following the jury's verdicts, the court had still to fashion appropriate injunctive relief. The parties submitted briefing on the injunctive relief they sought from the court. The jury acted as fact-finder on all claims, but the fashioning of relief on the claims for permanent injunction was for the court. **RP 7/18/12 p. 20**. The parties agreed that the court was to determine who managed and operated Green Cab based on the jury's responses on Special Verdict Form A. **CP 421**; **RP 7/18/12 p.8; 7/31/12 p.73.**

As their submission to the court on injunctive relief, respondents submitted a 3 page brief, plus a 2 page declaration from a Tesfaye Temesgen, identified as Green Cab's accountant. **CP 282-287**. In this briefing, respondents requested that the court make conclusions of law that appellants had forfeited all rights associated with their membership interests, had offered their membership units for sale pursuant to the operating agreement, and that the value of the membership units was $5,078.57.

None of this requested relief had been pleaded. **CP 876-883, 920-934**. The only injunctive relief sought by respondents had to do

with keeping appellants from acting on behalf of the company or interfering with respondents' running of the company. **CP 882, CP 932-4**. Appellants had requested similar injunctive relief with respect to respondents. **CP 16**. Respondents never sought leave to amend their pleadings to include such claims.

The court provided its memorandum decision on August 24, 2012, addressing the requested injunctive relief, preventing appellants from interfering with the management of the company. **CP 421**. The court also went further, ruling that appellants must surrender their licenses to Green Cab, and sell Green Cab their membership shares pursuant to paragraph 8.1 of the Operating Agreement. Finally, the court determined the value of appellants' membership interests at $5,078.57, based on the Temesgen declaration. **CP 425; CP 287.**

On September 4, 2012 appellants' filed their notice of appeal from the court's August 24, 2012 rulings on injunctive relief and judgment for injunctive relief. **CP 418-440.**

On September 13, 2012 the court denied appellants' motion for reconsideration **CP 447-9**, as well as respondents' 2 motions for reconsideration (one solely by Green Cab), other than to correct a mathematical error in the jury awards to Shumet Mekonen **CP 474-476; CP 454-456**.

On September 18, 2012, respondents filed their Notice of Cross-Appeal, seeking review of 3 of the 4 judgments entered in favor of appellants, as well as the September 12, 2012 order denying Green Cab's motion for reconsideration, and the court's September 12, 2012 Memorandum Decision. **CP 816-851.**

On October 3, 2012, appellants' filed their Amended Notice of Appeal to add review of the September 12, 2012 judgment against appellants and in favor of Green Cab, LLC. **CP 477-481**.

Respondent Green Cab brought another motion for reconsideration, which was denied October 8, 2012. **CP 482-485**.

On November 7, 2012, respondents filed their Amended Notice of Cross-Appeal to include appeal from the trial court's October 8, 2012 order denying their third motion for reconsideration, as well as the court's order of the same date denying their motion to strike. **CP 869-865**.

IV. ARGUMENT

A. THE STANDARDS OF REVIEW FOR THIS APPEAL ARE DE NOVO AND ABUSE OF DISCRETION.

The standard of review that this court should apply in determining whether the trial court erred in its conclusions of law is de novo, without

deference to the trial court's ruling. Dumas v. Gagner, 137 Wn. 2d 268, 280, 971 P.2d 17 (1999).

The meaning of a contract is an issue of law, subject to de novo review. Chem. Bank v. Wah. Pub. Power Supply Sys., 102 Wn.2d 874, 894, 691 P.2d 524 (1984). Where a trial court makes determinations based solely on documentary evidence, the court reviews those determinations de novo, because the appellate court is as well situated as the trial court to evaluate the documents. Jenkins v. Snohomish County Pub. Util. Dist. No. 1, 105 Wn.2d 99, 102, 713 P.2d 29 (1986).

The trial court did not act as a finder of fact on any of the claims, including the requested injunctive relief. In its Memorandum Decision, the trial court simply ruled based on the jury's findings and the undisputed facts. **CP 421**. This court should therefore review all issues having to do with the court's August 24, 2012 Memorandum Opinion on a de novo basis.

Generally speaking, the decisions of a court in the conduct of a trial are reviewed for abuse of discretion, Miller v. Peterson, 42 Wn. App. 822, 714 P.2d 695 (1986). Discretion is abused when it is manifestly unreasonable or exercised on untenable grounds or for untenable reasons. Safeco Insurance Co. v. McGrath, 63 Wn.App.170, 179, 817 P.2d 861 (1991).

The trial court's factual determination of whether a statement falls within an exception to the hearsay rule will not be disturbed absent an abuse of discretion, but the court of appeals reviews de novo whether the court's ruling rests on an erroneous understanding of the law. State v. Martinez, 105 Wn.App. 775, 782, 966 P.2d 883 (1998).

B. THE COURT ERRED BY DETERMINING APPELLANTS' WERE NOT ENTITLED TO THEIR TAXI CAB LICENSES.

The trial court erred when it determined that appellants were not entitled to retain the taxi cab licenses affixed to the cars that they own. **CP 424.** Where the facts of a case do not support the trial court's legal conclusion, the conclusion will be reversed. American Nursery Products, Inc. v. Indian Wells Orchards, 115 Wn.2d 217, 797 P.2d 477 (1990). The court was not a fact finder in this proceeding. The court drew its conclusions based on undisputed facts and the findings of the jury. The disputed facts were submitted to the jury. **CP 421**. The entirety of the court's determination is reviewed *de novo.*

The court concluded "The plaintiffs have no right to use the taxi cab licenses unless they are members of Green Cab LLC in good standing and are making any contributions toward the company's operating expenses that the board of directors deems necessary." **Id.** It

was upon this reasoning that it determined to strip appellants of their membership interests.

The court's determination is not consistent with the findings of the jury. The only way a member can lose his interest in Green Cab is pursuant to the remedies under paragraph 8.1(c), if he is a Defaulting Member. The jury found that appellants had not breached the Operating Agreement, had not breached their fiduciary duties and did not owe Green Cab anything, capital contribution or otherwise. **CP 221, 216**. As noted by the court, "the jury could have determined that any failure to pay weekly dues before January 2011 was justifiable or excused by the Defendants' breach of the same agreement." **CP 425**.

The court's conclusion is not based on any language of the Operating Agreement. There is nothing in the Operating Agreement about a member being in "good standing". **Ex. 1**, Operating Agreement, **A-1- 38** and not all contributions that the board of directors deems necessary are mandatory, such that a sale of the appellants' membership interests would be an option for the company. **Id.**, (Para. 8.1(b)(1) **A-15**.

The manner in which a Green Cab member may lose his ownership interests for failure to make capital contributions is by being designated a Defaulting Member under paragraph 8.1. Under the Operating Agreement there are 6 specified remedies available to Green

Cab if a member fails to make *required* payments. **Id.**, para. 8.1(c). p. **A-16**. There is no evidence in the record of written notice of mandatory contributions from Green Cab, so the failure to make any such payments cannot be the basis for designating appellants as Defaulting Members. **Id.** Para. 8.1(b)(ii), **A-16**.

None of the remedies in the Operating Agreement implement themselves: they all require written notice from the Chairman, then pursuit of one or more of the 6 remedies as determined by the Board. **Id.**, para. 8.1(c). p. **A-16**. There was no evidence at trial of any such action being taken by either the Chairman or the Board. What's more, only two of the six possible courses of actions result in the member losing all of his membership rights, and the court was not tasked with making that decision for Green Cab.

The court reasoned that appellants admitted that they withdrew their membership from Green Cab LLC and that they have paid no weekly fees since January 2011. It is true that appellants never responded to requests for admissions, and such admissions were entered into evidence, *See* **Ex. 50**, RFA's to Minority Members by Defendants; **Ex. 51**, RFA's to Minority Members by Qwest. These requests contained an unanswered request for admission that plaintiffs had "dissociated or withdrawn" from Green Cab. **Ex. 50**, RFA's to Minority Members by Defendants, RFA #16. The Operating Agreement

forbids withdrawal from the LLC, however, so any so-called "admission" that they had withdrawn from Green Cab is meaningless. **Ex. 1**,, Op. Agr., para. 5.6(a), **A-7**.

The court's legal conclusions, and application of the law to the facts of the case are erroneous, and the court should determine that the court had no right to require appellants to return the taxi cab licenses. The court should reverse the trial court and direct that no licenses are required to be turned over to respondents, and should further direct that respondents return any licenses to appellants that have been turned over.

C. THE COURT ERRED IN DETERMINING THAT GREEN CAB HAD THE RIGHT TO PURCHASE THE APPELLANTS' OWNERSHIP INTERESTS.

As addressed above, because the jury found that appellants had not breached the Operating Agreement, and owed respondents no money, it is hard to understand how they could be characterized as a "defaulting member" under the agreement. It is only as a defaulting member that the right to invoke the forced sale provision could apply. **Ex. 1**, Operating Agreement, **A-15-17**. Moreover, it is not the only option for the company, and it does not happen automatically. **Id.** There is no evidence of written notice to appellants under paragraph 8.1 of the Operating Agreement, nor evidence that the board voted to exercise the

right to force a sale. The court erred in its legal conclusion that it could force the sale of the appellants' membership interests under paragraph 8.1.

D. THE COURT ERRED IN DETERMINING THE NET VALUE OF APPELLANTS' MEMBERSHIP INTERESTS.

The trial court also erred in the manner in which it determined the price for appellants' membership interests. By making a determination after the close of trial based on material that was never admitted into evidence, on a hearsay, conclusory declaration by an undisclosed witness, the court violated basic rights of due process.

Additional Relevant Facts

The court based its determination of value on the figure provided in the declaration of Tesfaye Temesgen. **CP 425.** The declaration of Tesfaye Temesgen was never offered or admitted into evidence. **CP 238-246**. While the court claimed that appellants did not dispute that valuation, **Id.**, appellants in fact vigorously objected to the declaration and moved to strike. **CP 309**. Tesfaye Temesgen was not identified as a witness on respondents' witness list. *See* Witness List and Evidence List / Green Cab, **SUB 107**. On their April 9, 2012 witness list, Respondents had identified Dessie Gahawbeza as Green Cab's accountant, stating he would testify as an expert:

> to all aspects of business accounting for Green Cab, including his summary of his expert opinions that Majority Members have properly kept their records, while Plaintiffs have failed to maintain proper records, including not accounting for missing funds, and the basis being an analysis of Defendant's records, and the fact Plaintiffs have failed to produce any accounting records to date, although properly requested by discovery – a brief description of the expert's qualifications have been submitted.

Id. There was no disclosure of any opinion of value with respect to the membership interest. Even through trial, respondents attempted to have the CV of Mr. Gahawbeza entered into evidence. **RP 7/19/12 p. 22.** In his Declaration, Mr. Tesmegnen claimed to have been Green Cab's accountant since March, 2012.

It was an Abuse of Discretion to Consider the Temesgen Declaration and use it to Determine the Value of Appellants' Membership Interests.

Consideration of the Temesgen declaration was manifestly unreasonable and based on untenable grounds. The declaration is of course unadulterated hearsay, and thus inadmissible. ER 801, ER 802. Mr. Temesgen was not identified as a witness, much less an expert witness, he did not testify at trial, and was not a party to the litigation. It does not qualify as non-hearsay under ER 801(d). The court was not a finder of fact for any purpose in this trial, and the jury had completed its determinations before the declaration was even drafted, much less submitted to the court. **CP 286-7**; Special Verdict Form A, **CP 225**.

Appellants were severely prejudiced by consideration of this evidence. The expert witness was not disclosed prior to trial, his opinions had not been disclosed prior to trial, he was testifying on a matter which had not been pleaded. Appellants had no opportunity for discovery, and Mr. Temesgen was not subject to cross-examination. The right to cross-examination is guaranteed in all cases, civil and criminal, by the due process clause. Baxter v. Jones, 34 Wn.App. 1, 658 P.2d 1274 (1983). It is simply unacceptable to have a matter of such importance determined in such a manner. It is not consistent with fundamental principles of American law, including due process and the right to cross-examine. It was untenable and manifestly unreasonable to consider the declaration, much less base the court's determination of value upon it.

Moreover, the declaration itself is utterly conclusory. It simply posits a number out of thin air, provides no description of how it was arrived at, and no underlying documentation to support it. Why is the value of a unit of the company not $1,000 or $100,000 or $300,000? The declaration provides no insight, just a speciously precise number of $5,078.57.

"It is well established that conclusory or speculative expert opinions lacking an adequate foundation will not be admitted." Safeco Insurance Co. v. McGrath, 63 Wn.App.170, 177, 817 P.2d 861 (1991). In Safeco, a doctor submitted an affidavit that contained a simple

conclusion that in the doctor's opinion the person was so impaired that he could not form an intent to injure. He also testified at the trial. He provided no foundation in the declaration or at trial for his opinions. The court reversed the trial court, holding it erred in considering the declaration and allowing the doctor to testify. "Lacking an adequate foundation, it was an abuse of discretion to admit Dr. Vath's testimony." Id, at p. 179.

That the declaration is hearsay is inarguable. That neither it nor its author were disclosed prior to trial is indisputable. There was no foundation whatsoever for the opinion.

Appellants objected to the newly proposed evidence, and moved to strike. **CP 310**. Considering the hearsay affidavit and giving it weight in the determination of the value of the membership interest in the company was an abuse of discretion.

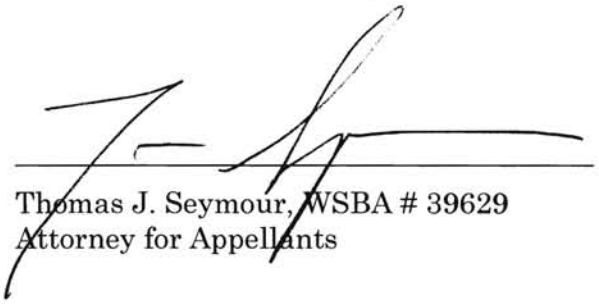
The court should reverse the trial court on the grounds that it determined issues that were not pleaded or litigated by the parties, and were not submitted to the court for determination. If, however, the court does address the issue of valuation of the sale of appellants' interests, it should reverse and remand to the trial court with a direction to allow discovery and conduct a hearing with respect to the value of the membership interests.

E. CONCLUSION

For the reasons stated above, appellants request that the Court reverse the decision of the trial court with respect to its conclusions on licenses and sale of the appellants' membership interests and their use of Green Cab Taxis. The Court should further direct respondents to return any licenses that appellants have turned over to them.

Respectfully submitted,

SEYMOUR LAW OFFICE, P.S.



Thomas J. Seymour, WSBA # 39629
Attorney for Appellants

APPENDIX

(2)

OPERATING AGREEMENT

OF

GREEN CAB TAXI & DISABLED SERVICE ASSOCIATION, LLC

(a Washington limited liability company)

Dated and Effective

as of

June ___, 2008

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OPERATING AGREEMENT

OF

GREEN CAB TAXI & DISABLED SERVICE ASSOCIATION, LLC

THIS OPERATING AGREEMENT (the "Agreement") is dated and effective as of June ___, 2008, by and among the Company and those Persons who sign a Member Signature Page and are admitted as Members by the Company. This Agreement supercedes and replaces in all respects the Operating Agreement for the Company dated November 7, 2007.

ARTICLE 1. DEFINITIONS

Terms with initial capitals not otherwise defined shall have the meanings set forth on Exhibit A.

ARTICLE 2. FORMATION OF COMPANY

2.1. Formation. The Company was formed on October 26, 2007, when a Certificate of Formation was executed and filed with the office of the Washington Secretary of State in accordance with and pursuant to the Act.

2.2. Name. The name of the Company is Green Cab Taxi & Disabled Service Association, LLC.

2.3. Principal Place of Business. The principal place of business of the Company shall be Tukwila Commerce Center, Building 20, 844 Industry Drive, Tukwila, Washington 98188, or such other place as the Board may select from time to time.

2.4. Registered Office and Registered Agent. The Company's registered agent and the address of its registered office in the State of Washington are as follows:

Name	Address
Habtamu Aboye	Tukwila Commerce Center, Building 20 844 Industry Drive Tukwila, Washington 98188

The registered office and registered agent may be changed by the Board from time to time by an appropriate filing with the Washington Secretary of State.

ARTICLE 3. BUSINESS OF COMPANY

The business of the Company shall be:

(A) to provide taxi services, including service to disabled persons, and to carry on such other business as may be conducted by a limited liability company organized under the Act; and

(B) to exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by a limited liability company under the Act.

ARTICLE 4. NAMES AND ADDRESSES OF MEMBERS

The names and addresses of the Members are set forth on the attached SCHEDULE I, as amended or restated from time to time. The Manager is hereby authorized and directed, without further approval of the Members, to amend **SCHEDULE I**, from time to time, to reflect the admission, withdrawal, and substitution of Members or changes in their names and addresses, and to take whatever action the Manager deems appropriate or necessary to update the Company's books and records to reflect such changes in the identity, names and addresses of the Members. If, after admission to the Company as a Member, a Member changes its name or address, or transfers part or all of its Units, subject to the restrictions on transfer contained in this Agreement, the Member shall promptly notify the Manager of such change to permit the updating of **SCHEDULE I** and the Company's books and records.

ARTICLE 5. RIGHTS AND OBLIGATIONS OF MEMBERS

5.1. Limitation of Liability. Each Member's liability shall be limited as set forth in this Agreement and the Act.

5.2. Liability for Company Obligations. Except as expressly provided in this Agreement or otherwise provided by law, Members shall not be personally liable for any debts, obligations or liabilities of the Company.

5.3. Member Approval of Certain Actions. In addition to any Member approval requirements set forth elsewhere in this Agreement, the following actions shall require the approval of Members as described below:

(a) Decisions encompassing the following matters of the Company shall require the unanimous approval of the Members:

(i) Authorization of the Manager, the Board, any Member or other Person to do any act on behalf of the Company that contravenes this Agreement.

(b) Decisions encompassing the following matters of the Company shall require the approval of Members collectively holding at least two-thirds of the then outstanding Units held by Members:

(i) The sale, exchange, or other disposition of all or substantially all of the assets of the Company.

(ii) Approval of a merger of the Company or the dissolution of the Company.

(iii) The pursuit of any business other than providing taxi services, including service to disabled persons.

(c) Decisions encompassing the following matters of the Company shall require the approval of Members collectively holding a Majority Interest:

(i) Payment of compensation to any Director, officer or any Member for services provided to the Company, except for services as a taxi driver.

(ii) Election and removal of the Directors or any one of them.

(iii) Any other action for which this Agreement or the Act requires approval of the Members, or that the Board refers to the Members for decision, but for which no minimum approval is specified.

5.4. Inspection of Records. Upon reasonable request, each Member shall have the right to inspect and copy at such Member's expense, during ordinary business hours, the records required to be maintained by the Company pursuant to Section 11.4.

5.5. No Priority and Return of Capital. Except as expressly provided in Articles 9, 10 and 14, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided, that this Section 5.5 shall not apply to loans made by a Member to the Company.

5.6. Dissociation and Withdrawal of a Member.

(a) No Withdrawal Rights. A Member may not withdraw as a Member prior to dissolution and commencement of winding up of the Company pursuant to Article 14 without the written consent of all the other Members.

(b) **Dissociation Events**. A Person shall cease to be a Member upon the occurrence of one or more of the following events:

(i) The Person withdraws by voluntary act from the Company with the written consent of all other Members as provided in Subsection (a) of this Section 5.6;

(ii) The Person ceases to be a Member as provided in RCW 25.15.250(2)(b) and Subsection 12.4(c) following an assignment of all the Person's Membership Interest; or

(iii) Unless Members collectively holding a majority of the Units then held by Members other than such Person agree in writing that such Person's status as a Member shall not be terminated:

(A) the Person (1) makes a general assignment for the benefit of creditors; (2) files a voluntary petition in bankruptcy; (3) becomes the subject of an order for relief in bankruptcy proceedings; (4) files a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (5) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of the nature described in clauses (1) through (4) above; or (6) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of such Person's properties;

(B) one-hundred-twenty (120) days after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, the proceeding has not been dismissed, or if within ninety (90) days after the appointment, without such Person's consent or acquiescence, of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any stay, the appointment is not vacated;

(C) in the case of a Person that is a general partnership, a limited partnership or another limited liability company, the dissolution and commencement of winding up of such Person; or

(D) in the case of a Person that is a corporation, the filing of articles of dissolution or the equivalent for the corporation or the administrative dissolution of the corporation.

5.7. Contribution and Indemnity. In the event that any Member (a "Guarantor") guarantees any obligation of the Company, the Company shall indemnify

and hold harmless the Guarantor from and against any and all damages, losses, costs, and expenses, including reasonable attorneys' fees, (collectively, the "Damages") incurred by the Guarantor as a result of the guaranty. If at any time demand is made on the Guarantor as a result of the Company's default or other failure to perform a guaranteed obligation and the Company is unable to satisfy such obligation, each Member shall contribute, pro rata in accordance with his or her Percentage Interest, the amount necessary to satisfy such obligation. Each Member shall indemnify and hold harmless each Guarantor from and against any and all Damages incurred by the Guarantor in excess of the Guarantor's Percentage Interest of such Damages; provided, that such indemnity shall be limited to the indemnifying Member's Percentage Interest of such Damages.

5.8. Default and Remedies.

(a) Monetary Defaults. Section 8.1(c) of this Agreement provides remedies in the event a Member defaults in the payment of any Capital Contribution. The provisions of that section will also apply to any other default to pay money to the Company or another Member pursuant to this Agreement.

(b) Other Defaults. Upon the occurrence of any other default on the part of any Member under this Agreement, the Company may, in addition or as an alternative to any other remedy to which the Company is entitled hereunder or at law or equity:

(i) Recover from the defaulting Member damages resulting from the event of default, which damages shall be measured as such amount as would be required to place the Company or the non-defaulting Members in the financial position in which they would have been if such event of default had not occurred;

(ii) Specifically enforce the terms and conditions of this Agreement and the covenants made by each Member hereunder;

(iii) Remove the defaulting Member upon a purchase of his or her Membership Interest pursuant to Section 8.1(c)(v);

(iv) Cause a dissolution of the Company; or

(v) Pursue any other remedy allowed under this Agreement or applicable law.

ARTICLE 6. MANAGEMENT OF THE COMPANY

6.1. Board of Directors.

(a) Generally. The business and affairs of the Company shall be managed by the Board of Directors. Except as otherwise expressly provided in this

Agreement, the Board shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. Unless authorized to do so by the Board, no Member, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose. Without relieving the Board of ultimate responsibility, the Board may delegate to the officers or the Manager such authority for the management of the Company as the Board deems appropriate.

(b) Specific Authority. The authority granted to the Board in Section 6.1(a) includes without limitation the authority, in the Board's discretion, to:

(i) admit Members in connection with the initial organization of the Company and cause the Company to issue Units to those Members;

(ii) hire, compensate, and discharge the Manager and subordinate officers and employees;

(iii) negotiate and enter into on behalf of the Company a collective bargaining agreement with respect to union representation for those employees who elect such representation;

(iv) borrow money on behalf of the Company and to grant security interests in the Company's property in connection therewith; and

(v) execute one or more leases for office space or other facilities necessary or appropriate for the Company's operations.

(c) Specific Responsibilities. In addition to other responsibilities set forth in this Agreement, the Board will be responsible for:

(i) ensuring compliance with King County and other governmental rules, regulations and requirements applicable to the Company or its business; and

(ii) reviewing and (with such changes as the Board deems appropriate) approving proposed budgets and marketing strategies for the Company.

(d) Number and Term. The Board will consist of seven Directors, each of whom must be a Member of the Company. Upon election by the Members, each Director will serve until his or her resignation or removal.

(e) Meetings. Meetings of the Board may be called by the Chairman or by a majority of the Directors then actually serving. A majority of the total number of Directors shall constitute a quorum for the transaction of business of the Board. The

affirmative vote, approval or consent of a majority of the Directors shall be required to take any action permitted to be taken by the Board.

6.2. Officers.

6.2.1. Appointment and Term of Office. The Board may, at any time or from time to time, appoint officers of the Company. Each officer shall hold office until his successor shall have been duly appointed and shall have qualified or until his death or until he shall resign or shall have been removed in the manner provided below. Appointment of an officer shall not of itself create contract rights.

6.2.2. Number. The officers of the Company, if any, may include a Chairman, a Vice Chairman, a Secretary and a Treasurer, and such other officers as may be determined to be in the best interest of the Company and appointed by the Board.

6.2.3. Removal. Any officer appointed by the Board may be removed, with or without cause, by the Board whenever in the Board's judgment the best interest of the Company would be served thereby, but such removal shall be without prejudice to the contracts rights, if any, of the person so removed.

6.2.4. Chairman. The Chairman, if any, shall be the principal executive officer of the Company. Subject to the direction and control of the Board, he shall be in charge of the business of the Company; he shall see that the directions of the Board are carried into effect except in those instances in which that responsibility is specifically assigned to some other person by the Board, and, in general, he shall discharge all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Company or a different mode of execution is expressly prescribed by the Board, the Chairman may execute for the Company any contracts, deeds, mortgages, bonds or other instruments which the Board has authorized to be executed, and he may accomplish such execution either individually or with the secretary or any other officer thereunto authorized by the Board, according to the requirements of the form of the instrument. The Chairman shall preside at meetings of the Members and of the Board.

6.2.5. Vice Chairman. The Vice Chairman, if any, shall assist the Chairman in the discharge of his duties as the Chairman may direct and shall perform such other duties as from time to time may be assigned to them by the Chairman or the Board. In the absence of the Chairman or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Company or a different mode of execution is expressly prescribed by the Board, the Vice Chairman may execute for the Company any contracts, deeds, mortgages, bonds or other instruments which the Board has authorized to be executed, and they may accomplish such execution either individually or with the secretary or any other officer

thereunto authorized by the Board, according to the requirements of the form of the instrument.

6.2.6. Treasurer. The Treasurer, if any, shall be the principal accounting and financial officer of the Company. He shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Company; (b) have charge and custody of all funds and securities of the Company, and be responsible therefor and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of chief financial officer and such other duties as from time to time may be assigned to him by the Chairman or the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board may determine.

6.2.7. Secretary. The Secretary, if any, shall: (a) record the minutes of the Members' meetings in one or more books provided for that purpose; (b) see that all notices are duly given as required by law; (c) be custodian of the Company records; (d) keep a register of the mailing address of each Member which shall be furnished to the Secretary by such Member; (e) sign with the Chairman, or Vice Chairman, or any other officer authorized by the Board, any contracts, deeds, mortgages, bonds or other instruments which the Board has authorized to be executed, and they may accomplish such execution either individually or with the Secretary or any other officer authorized by the Board, according to the requirements of the form of the instrument; (f) have authority to certify documents of the Company as true and correct copies thereof; and (g) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman or by the Board.

6.2.8. Compensation. The officers shall receive no compensation except as authorized by the Members in accordance with Section 5.3.

6.3. Manager. The Board will appoint a Manager to oversee the day-to-day operations of the Company, including its personnel. The Manager's responsibilities and authority will include:

(a) managing cash flow and ensuring that company obligations are met, in accordance with the budget adopted by the Board.

(b) preparing proposed budgets and marketing strategies for approval by the Board.

(c) preparing monthly, quarterly and annual operational and finance reports.

(d) such other matters as the Board may from time to time delegate to the Manager.

6.4. Taxi Licenses; Employment of Drivers. The Company shall hold all rights to any taxi and other licenses and permits necessary to operate its vehicles. The Company shall employ the Members and other individuals to drive the vehicles, on such terms, conditions and rules as the Board may from time to time determine. Members shall be compensated for their time driving Company taxis on the same basis as other employees.

6.5. Payment of Expenses. The Company shall pay all of its expenses of operation, which expenses shall be billed directly to the Company. The Company shall also pay or reimburse the Manager for all expenses incurred in connection with the organization of the Company and the sale to or acquisition by any Member of any interests in the Company. These expenses will include without limitation (i) all costs of acquisition, maintenance, and operation of the Company's taxis and other vehicles (except to the extent that a Member may contribute a vehicle to the Company as a capital contribution), (ii) all taxi and other licenses and permits required for the operation of the Company, except for the driver's license of any individual, (iii) wages and employee benefits; (iv) legal, accounting, financing and other professional fees and costs. The legal, accounting, financing and other professional fees and costs incurred by a Member in connection with the purchase of an interest in the Company, however, shall be borne solely by that Member.

6.6. Limitation on Liability: Indemnification. Each Director and the Manager shall not be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by him or her performed in good faith pursuant to the authority granted to him or her by this Agreement or in accordance with its provisions, and in a manner reasonably believed by him or her to be within the scope of the authority granted to him or her and in the best interest of the Company; provided, that such act or omission did not involve intentional misconduct or a knowing violation of law, conduct violating RCW 25.15.235 or any transaction from which he or she will, without the approval of Members collectively holding a Majority Interest, receive a benefit in money, property or services to which such Person is not legally entitled. The Company shall indemnify, defend and hold harmless each Director and the Manager against any liability, loss, damage, cost or expense incurred by him or her on behalf of the Company or in furtherance of the Company's interests without relieving him or her of liability for intentional misconduct or a knowing violation of law, conduct violating RCW 25.15.235 or any transaction from which he or she will, without the approval of Members collectively holding a Majority Interest, receive a benefit in money, property or services to which such Person is not legally entitled. No Member shall have any personal liability with respect to the satisfaction of any required indemnification of any Director or the Manager.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section 6.6 for legal expenses and other costs incurred as a result of a legal action brought against

such Person only if (i) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (ii) the legal action is initiated by a party other than a Member and (iii) such Person undertakes to repay the advanced funds to the Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

6.7. Removal. At a meeting called expressly for that purpose, a Director may be removed at any time, with or without cause, by the affirmative vote of Members collectively holding at least a majority of the then-outstanding Units held by Members (excluding any Units held by the Director whose removal is sought, which must not be voted or counted for the purposed of this provision). The removal of a Director who is also a Member shall not affect the Director's rights as a Member and shall not constitute a withdrawal of a Member.

6.8. Vacancies. Any vacancy occurring for any reason in the Board shall be filled by the affirmative vote of Members collectively holding a Majority Interest.

6.9. Right to Rely on the Chairman, Vice Chairman, and Manager. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by the Chairman, the Vice Chairman, or the Manager as to the identity and authority of the Chairman, Vice Chairman, Manager or other Person to act on behalf of the Company.

6.10. Advisory Committees. The Board may from time to time create or disband advisory committees consisting of Members or other individuals to assist the Board and the Company's management. The committees will report and make recommendations to the Board and the Company's management, but the committees will have no authority to make decisions on behalf of the Company or to bind the Company to any obligation. Subject to the foregoing, the roles, responsibilities and membership of the advisory committees will be determined by the Board. Examples of advisory committees may include finance, investments, marketing, and grievances.

ARTICLE 7. MEETINGS AND ACTIONS OF MEMBERS

7.1. Meetings. Meetings of the Members, for any purpose or purposes, may be called by the Chairman, by the Board, or by Members collectively holding at least ten percent of the Units.

7.2. Place of Meetings. The Chairman, the Board, or the Members calling the meeting may designate any place within King County, Washington, as the place of meeting for any meeting of the Members.

7.3. Manner of Acting. All decisions by the Members shall be made by the affirmative vote, approval or consent of Members holding the number of Units required for such decision. Except for approval of any amendment to this Agreement, which must

be in writing, a Member may vote, or otherwise give approval or consent in person (in writing or orally, whether face-to-face, by telephone or through any other means of communication) or by proxy. Any action required or permitted of the Members may be taken by written consent in lieu of a meeting signed by Members holding the requisite number of Units, provided that notice of the proposed action has been provided to all Members at least ten days in advance of the effective date of such consent and the Chairman, the Board and Members, as provided in Section 7.1, have had an opportunity to call a meeting to discuss the proposed action if they so desire.

ARTICLE 8. CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.1. Members' Capital Contributions; Loans.

(a) Initial Capital Contributions. Through the date of this Agreement, each Member has made contributions to the Company of cash or vehicles in the amounts set forth in the attached Schedule I opposite that Member's name as such Member's initial Capital Contribution. Some Members have contributed title to vehicles that are subject to liens in favor of banks or other lenders in connection with financing arranged by the Member. In that event, (i) notwithstanding any lender requirement that the Company become obligated under such financing, as between the Member and the Company the Member shall be solely responsible for all loan payments and other costs of the financing, (ii) the Member shall timely make all payments due under the financing directly to the lender, (iii) if the Member's name appears with the Company's on any certificate of title, the vehicle shall nevertheless for all purposes be under the control of the Company, the Company will have full authority to make decisions with respect to the operation, maintenance or other matters involving the vehicle, and the Company will have the responsibility to pay for maintenance, taxes, insurance, licensing and other costs of owning and operating the vehicle (other than the costs of financing), (iv) upon payment in full of the loan, the Member shall provide to the Company clear title to the vehicle, free of any liens, claims or encumbrances for the benefit of the lender, the Member or any other Person, and (v) the Member shall be credited with a Capital Contribution equal to the value of the vehicle at the time of the initial Capital Contribution, without consideration then or at any time of the amount of any loan or financing payments.

(b) Additional Capital Contributions. If from time to time the Board determines that the Company needs additional capital for any reason, then it may seek voluntary capital contributions from the Members as provided in Section 8.1(b)(i) or require mandatory capital contributions from the Members as provided in Section 8.1(b)(ii).

(i) *Voluntary Contributions.* The Board may request additional capital contributions from the Members. In that event, each Member shall have the opportunity, but shall not be obligated, to contribute in cash to the Company an amount equal to its share of the additional requested capital (which

amount shall be the total of such additional capital requested multiplied by the Member's Percentage Interest). The request shall be in writing and shall specify the amount of the capital contribution requested. The contributions by the Members shall be made within 20 days after the request to the Members. If any Member does not contribute its share of additional capital, then those Members who have contributed all of their shares may contribute, in proportion to their Percentage Interests or as they may otherwise agree, the amount requested from the noncontributing Member(s). The amount of any additional capital contributed by a Member shall be credited to the capital account of the contributing Member, and the number of Units held by each Member shall then be adjusted so that the Percentage Interest of each Member is the ratio of a fraction, the numerator of which is the aggregate capital contributions made by such Member and the denominator of which is the aggregate capital contributions made by all Members, with both numerator and denominator being determined without regard to the amount of any distributions made to Members.

(ii) *Mandatory Contributions.* The Board may require additional capital contributions from the Members. In that event, each Member must contribute in cash to the Company an amount equal to its share of the additional required capital (which amount shall be the total of such additional capital required multiplied by the Member's Percentage Interest). Each Member's obligation under this Section 8.1(b)(ii) will be limited, in the aggregate, to the amount across from that Member's name in the column labeled "Committed" on Schedule I. The notice shall be in writing and shall specify the amount of the capital contribution required. The contributions by the Members must be made within 20 days after the notice to the Members.

(c) Remedies for Default from Failure to Make Capital Contributions. In the event any Member defaults by failing to contribute his or her share of capital to the Company or make payments to a lender as required under this Section 8.1, and such default continues uncured for a period of ten days after written notice from the Chairman (or, if the Chairman is in default, from any other Director), such Member shall become a "Defaulting Member" and the other Members and the Company shall have the following remedies for such default as determined by Board:

(i) Cause the Company to advance the Defaulting Member's pro rata share and treat such amount as a loan from the Company to the Defaulting Member (a "Default Loan"). Such Default Loan shall bear interest at the lesser of the maximum rate permitted by law or Bank of America's published prime rate in effect as of the first day of each calendar month plus 4% per annum and such interest rate shall be adjusted as provided herein on the first day of each calendar month. Default Loans shall be repayable within 30 days after written demand and if not sooner repaid shall be repaid from any cash distributions otherwise to be made to the Defaulting Member by the Company or offset against any amount to be paid to the Defaulting Member as a result of the purchase of his or her interest in the Company in accordance with this Agreement;

(ii) Allow one or more Members to advance, in proportion to their respective Percentage Interests or as such advancing Members may otherwise agree, the Defaulting Member's pro rata share to the Company and treat such amount as a Default Loan from such advancing Members to the Defaulting Member to be governed by the provisions set forth in Section 8.1(c)(i);

(iii) Cause any distribution the Defaulting Member would otherwise be entitled to receive during any period in which the Defaulting Member is in default on any required Capital Contribution to be applied by the Company against the Defaulting Member's required Capital Contribution, along with interest as determined under Section 8.1(c)(i), in such order as the Board shall determine;

(iv) Dissolve and terminate the Company under Section 14.1 and offset against any amount to be distributed to the Defaulting Member the damages caused the Company and the other Members by the Defaulting Member;

(v) If a Defaulting Member fails to make a Capital Contribution for more than 30 days from the date due, then cause the Defaulting Member to: (i) automatically forfeit all rights (including the right to vote on, consent to or otherwise participate in any decision of the Members) associated with the Defaulting Member's Membership Interest; and (ii) be deemed to have offered for sale to the Company all of the Units and any other associated rights then held by the Defaulting Member for a purchase price determined by the Company's accountant to be the net book value of the Defaulting Member's Percentage Interest in the Company represented by the Units. The Company shall have the right to offset the purchase price paid to the Defaulting Member with amounts, including Capital Contributions together with interest thereon, otherwise owed to the Company by the Defaulting Member; and

(vi) Authorize the Manager, on behalf of the Company, to pursue any remedy at law or in equity against the Defaulting Member.

(d) Loans. Nothing in this Agreement shall prevent any Member, upon approval of the Board, from making secured or unsecured loans to the Company. Any such loans shall bear interest at the rate of three percentage points per annum over the prime lending rate of interest announced from time to time by Bank of America or its successor during such period and shall be on such other terms and conditions as may be approved by the Board.

8.2. Capital Accounts.

(a) Establishment and Maintenance. A separate "Capital Account" will be established and maintained for each Member in accordance with the rules of Section 1.704-I(b)(2)(iv) of the Regulations, which are incorporated herein by this reference.

(b) Basic Adjustments to Capital Accounts. Each Member's Capital Account will be increased by (i) the amount of money contributed by such Member to the Company; (ii) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take the property subject to under Code Section 752); (iii) allocations to such Member of Net Profits; (iv) any items in the nature of income and gain that are specially allocated to the Member pursuant to Sections 9.2 and 9.3; and (v) allocations to such Member of income and gain exempt from federal income tax. Each Member's Capital Account will be decreased by (i) the amount of money distributed to such Member by the Company; (ii) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take the property subject to under Code Section 752); (iii) allocations to such Member of expenditures described in Code Section 705(a)(2)(B); (iv) any items in the nature of deduction and loss that are specially allocated to the Member pursuant to Sections 9.2 and 9.3; and (v) allocations to such Member of Net Losses. In the event of a permitted sale or exchange of a Membership Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest.

(c) Compliance with Regulations. The manner in which Capital Accounts are to be maintained pursuant to this Section 8.2 is intended to comply with the requirements of Code Section 704(b) and the Regulations promulgated thereunder. If in the opinion of the Company's legal counsel or accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.2 should be modified in order to comply with Code Section 704(b) and the Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.2, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

ARTICLE 9. ALLOCATIONS OF NET PROFITS AND LOSSES

9.1. Allocation of Net Profit and Loss - In General.

(a) Allocation of Net Profit or Loss. Subject to the limitation set forth in Section 9.1(b) and after giving effect to the special allocations set forth in Sections 9.2 and 9.3, the Net Profit or Net Loss for any fiscal year of the Company shall be allocated among the Members as follows:

(i) First, Net Profits shall be allocated to those Members receiving distributions under Section 10.1.(a) in an amount equal to such distributions; and

(ii) Second, in accordance with their respective Percentage Interests.

(b) Limitation. The Net Loss allocated to each Member for any Company fiscal year pursuant to Section 9.1(a) shall not exceed the maximum amount of Net Loss that can be so allocated without causing such Member to have a Deficit Capital Account at the end of the fiscal year. All Net Losses in excess of the limitation set forth in this Section 9.1(b) shall be allocated to the other Members who do not have Deficit Capital Accounts in proportion to their respective Percentage Interests.

9.2. Special Allocations. The following special allocations shall be made for any fiscal year of the Company in the following order:

(a) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Sections 1.704-2(f) and 1.704-2(g)(2) of the Regulations. The items to be so allocated, and the manner in which those items are to be allocated among the Members, shall be determined in accordance with Sections 1.704-2(f) and 1.704-2(i)(2) of the Regulations. This Section 9.2(a) is intended to satisfy the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted and applied accordingly.

(b) Member Minimum Gain Chargeback. If there is a net decrease in Member Minimum Gain during any Company fiscal year, each Member who has a share of that Member Minimum Gain, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain, determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(i)(5) of the Regulations. The items to be so allocated, and the manner in which those items are to be allocated among the Members, shall be determined in accordance with Sections 1.704-2(h)(4) and 1.704-2(j)(2) of the Regulations. This Section 9.2(b) is intended to satisfy the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted and applied accordingly.

(c) Qualified Income Offset. In the event that any Member unexpectedly receives any adjustments, allocations or distributions described in Sections 1.704-l(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, items of Company income and gain shall be specially allocated to such Member in an amount and in a manner sufficient to eliminate as quickly as possible, to the extent required by Section 1.704-(l)(b)(2)(ii)(d) of the Regulations, the Deficit Capital Account of the Member (which Deficit Capital Account shall be determined as if all other allocations provided for in this Article 9 have been tentatively made as if this Section 9.2(c) were not in this Agreement).

9.3. Corrective Allocations.

(a) Allocations to Achieve Economic Agreement. The allocations set forth in the last sentence of Section 9.1(b) and in Section 9.2 are intended to comply with certain regulatory requirements under Code Section 704(b). The Members intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to Section 9.2 or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 9.3(a). Accordingly, the Tax Matters Partner is hereby authorized and directed to make offsetting allocations of Company income, gain, loss or deduction under this Section 9.3(a) in whatever manner the Tax Matters Partner determines is appropriate so that, after such offsetting special allocations are made, the Capital Accounts of the Members are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Section 9.2 were not contained in this Agreement and all income, gain, loss and deduction of the Company were instead allocated pursuant to Section 9.1(a).

(b) Waiver of Application of Minimum Gain Chargeback. The Tax Matters Partner shall request from the Commissioner of the Internal Revenue Service a waiver, pursuant to Section 1.7042(f)(4) of the Regulations, of the minimum gain chargeback requirements of Section 1.704-2(f) of the Regulations if the application of such minimum gain chargeback requirement would cause a permanent distortion of the economic arrangement of the Members, as reflected in Section 9.1(a).

9.4. Other Allocation Rules.

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

(b) Allocation of Recapture Items. In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

9.5. Determination of Net Profit or Loss.

(a) Computation of Net Profit or Loss. The Net Profit or Net Loss of the Company, for each fiscal year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a) (and, for this purpose, all items of income, gain, loss or deduction required

to be stated separately pursuant to Code Section 703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

(b) Adjustments to Net Profit or Loss. For purposes of computing taxable income or loss on the disposition of an item of Company property or for purposes of determining the cost recovery, depreciation, or amortization deduction with respect to any property, the Company shall use such property's book value determined in accordance with Section 1.704-1(b) of the Regulations.

(c) Items Specially Allocated. Notwithstanding any other provision of this Section 9.5, any items that are specially allocated pursuant to Sections 9.2 or 9.3 shall not be taken into account in computing Net Profit or Net Loss.

9.6. Mandatory Tax Allocations Under Code Section 704(c). In accordance with Code Section 704(c) and Section 1.704-3 of the Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the initial adjusted basis of such property to the Company for federal income tax purposes and its initial book value computed in accordance with Section 9.5(b). Prior to the contribution of any property to the Company that has a fair market value that differs from its adjusted tax basis in the hands of the contributing Member on the date of contribution, the contributing Member and the Manager (or, if the contributing Member is the Manager, Members collectively holding a majority of the Units held by all non-contributing Members) shall agree upon the allocation method to be applied with respect to that property under Section 1.704-3 of the Regulations.

ARTICLE 10. DISTRIBUTIONS

10.1. Cash Distributions.

(a) Nonliquidating Distributions. Distributions of Distributable Cash, other than distributions in liquidation pursuant to Section 10.1(b), shall be made to the Members in proportion to their Percentage Interests at such times and in such amounts as are determined by the Board in its discretion.

(b) Distributions in Liquidation. Distributions in liquidation of the Company shall be made to each Member in the manner set forth in Section 14.3(C).

10.2. Distributions in Kind. Non-cash assets, if any, shall be distributed in a manner that reflects how cash proceeds from the sale of such assets for fair market value would have been distributed (after any unrealized gain or loss attributable to such non-cash assets has been allocated among the Members in accordance with Article 9).

10.3. Withholding; Amounts Withheld Treated as Distributions. The Board is authorized to withhold from distributions, or with respect to allocations or payments, to

Members and to pay over to the appropriate federal, state or local governmental authority any amounts required to be withheld pursuant to the Code or provisions of applicable state or local law. All amounts withheld pursuant to the preceding sentence in connection with any payment, distribution or allocation to any Member shall be treated as amounts distributed to such Member pursuant to this Article 10 for all purposes of this Agreement.

10.4. Limitation Upon Distributions. Notwithstanding any other provision of this Agreement, the Company shall not make any distribution that would violate the Act.

ARTICLE 11. ACCOUNTING. BOOKS AND RECORDS

11.1. Accounting Principles. The Company's books and records shall be kept, and its income tax returns prepared, under such permissible method of accounting, consistently applied, as the Manager determines is in the best interest of the Company and its Members.

11.2. Interest on and Return of Capital Contributions. No Member shall be entitled to interest on any Capital Contribution or to return of any Capital Contribution, except as otherwise specifically provided for herein.

11.3. Accounting Period. The Company's accounting period shall be the calendar year.

11.4. Records, Audits and Reports. At the expense of the Company, the Manager shall maintain records and accounts of all operations and expenditures of the Company as required by the Act.

11.5. Tax Matters Partner.

(a) Designation. The Chairman, or if the Chairman is ineligible to serve then the Vice Chairman, shall be the "Tax Matters Partner" of the Company for purposes of Code Section 6221 et seq., the corresponding provisions of any state or local tax law and this Agreement.

(b) Expenses of Tax Matters Partner; Indemnification. The Company shall indemnify and reimburse the Tax Matters Partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Members (and such expenses shall be taken into consideration for purposes of determining Distributable Cash). Neither the Tax Matters Partner nor any member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Board and the Manager set forth in Section 6.6 of this Agreement shall be fully applicable to any Member acting as Tax Matters Partner.

11.6. Returns and Other Elections. The Manager shall cause the preparation and timely filing of all tax and information returns required to be filed by the Company pursuant to the Code and all other tax and information returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year. Except as expressly provided to the contrary in this Agreement, all elections permitted to be made by the Company under federal or state laws shall be made by the Manager in its sole discretion.

ARTICLE 12. TRANSFERABILITY

12.1. General.

(a) Restrictions. Except as otherwise expressly provided in this Agreement, no Member shall have the right to:

(i) sell, assign, transfer, exchange, pledge, encumber in any manner or otherwise transfer for consideration, (collectively, "sell" or "sale"); or

(ii) gift, bequeath or otherwise transfer for no consideration, whether or not by operation of law, except in the case of bankruptcy (collectively "gift"),

all or any part of its Membership Interest without the consent of the Board. Any Member seeking approval of any sale or gift shall give written notice to the other Members and the Board including the name and address of the intended recipient and all material details of the proposed transaction. Notwithstanding any other provision of this Agreement, no Membership Interest may be transferred to any Person if that transfer would violate the terms of any taxi license test program or other conditions imposed on the Company in connection with the issuance of taxi licenses to the Company.

(b) Enforcement. Each Member acknowledges the reasonableness of the restrictions on sale and gift of Membership Interests imposed by this Agreement in view of the Company's purposes and the relationship of the Members. Accordingly, the restrictions on sale and gift contained herein shall be specifically enforceable. In the event that any Member is allowed under this Section 12.1 to pledge or otherwise encumber any of its Membership Interest as security for repayment of a liability, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all the terms and conditions of this Article 12.

12.2. First Refusal Rights.

(a) Offer to Company and Other Members. Absent consent of the Board as provided in Section 12.1, a Member desiring to sell all or any of its Membership

Interest to a third-party purchaser must obtain from such third-party purchaser a bona fide written offer to purchase such Membership Interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor. Such Member must give written notice to the other Members and the Manager of its intention to so transfer such Membership Interest (the "Offer Notice"). The Offer Notice must set forth the complete terms of the written offer to purchase and the name and address of the proposed third-party purchaser.

(b) Option of Company. The Company, acting at the discretion of the Board, shall have the first right to purchase all (but not less than all) of the Membership Interest proposed to be sold by the selling Member upon the same terms and conditions stated in the Offer Notice by giving written notice to the Members within ten days after the Offer Notice. The failure of the Company to so notify the Members (including the selling Member) of its desire to exercise its first refusal rights within said ten-day period as required by this Section 12.2(b) shall result in the termination of the Company's first refusal rights in connection with such third-party offer.

(c) Option of Other Members. If the Company does not elect to purchase the Membership Interest, then the other Members shall, on a basis pro rata to their Percentage Interests, have the second right to purchase all (but not less than all) of the Membership Interest proposed to be sold by the selling Member upon the same terms and conditions stated in the Offer Notice by giving written notice to the other Members and the Manager within twenty days after the Offer Notice. The failure of a Member to so notify the other Members (including the selling Member) and the Manager of its desire to exercise its refusal rights within said twenty-day period as required by this Section 12.2(c) shall result in the termination of such Member's refusal rights in connection with such third-party offer.

(d) Member's Failure to Exercise Option. Within ten days after expiration of the twenty-day period specified in the preceding paragraph, the selling Member shall notify those Members electing to exercise their refusal rights and the Manager of any Membership Interest that the other Members did not elect to purchase. Those Members exercising refusal rights in accordance with the preceding paragraph shall then notify the selling Member, the Manager and the other purchasing Members whether they elect to purchase such remaining Membership Interest, which shall be allocated on a basis pro rata to the Percentage Interests of those remaining Members exercising their refusal rights. In the event less than all of the Membership Interest proposed to be sold by the selling Member is allocated pursuant to the formula set forth in the preceding sentence, then any remaining Membership Interest shall be offered to those Members continuing to exercise their first refusal rights in accordance with the preceding sentence, on the same basis, until all the Membership Interest proposed to be sold by the selling Member is allocated for purchase by the purchasing Members. If, at any time, no such notification is received by the selling Member and the Manager from any such Members in accordance with this paragraph and any of the Membership Interest proposed to be sold by the selling Member remains un-allocated for purchase, then no Member

shall be deemed to have exercised any refusal rights with respect to such Membership Interest in connection with such third-party offer.

(e) Purchase; Closing. If Members have elected to purchase all of the Membership Interest offered by the selling Member, the selling Member shall sell such Membership Interest upon the same terms and conditions specified in the Offer Notice, and the purchasing Members shall close the purchase on or before the later of (i) the date specified in the third-party offer, or (ii) 30 days after receipt of notification from the selling Member that such Members have elected to purchase all of the selling Member's Membership Interest.

(f) No Election Made. If Members do not elect to purchase all of the Membership Interest offered by the selling Member in accordance with this Section 12.2, then the selling Member shall be entitled to sell such Membership Interest to the third party purchaser in accordance with the terms and conditions specified in the Offer Notice. However, if such sale is not completed within 30 days following expiration of the other Members' refusal rights under this Section 12.2, then the selling Member's Membership Interest shall continue to be subject to the rights of refusal set forth in this Section 12.2.

12.3. Mandatory Offer to Sell.

(a) Purchase Event. For purposes of this Section 12.3, any one of the following events shall constitute a "Purchase Event":

(i) The death of an individual Member, provided that the date of the Purchase Event for purposes of this Section 12.3 shall be the date on which the Manager shall have received notice of the appointment and qualification of the personal representative of the estate of the deceased Member (the "Personal Representative"). The Personal Representative shall be obligated to give such notice as soon as practicable.

(ii) The sale or transfer of any interest in the Company made directly or by operation of law contrary to the provisions of this Agreement; or

(iii) The occurrence of any of the events specified in Subsection 5.6(b)(iii)(A)-(D), substituting the term "Member" for the term "Person."

(b) Offer. Upon the occurrence of any Purchase Event, the Personal Representative or the Member, as the case may be, (the "Seller") shall be deemed to have offered for sale to the Company and the other Members all of the Units then held by the Seller (the "Proffered Units").

(c) Purchase Price. The price at which the Proffered Units shall be purchased and sold pursuant to this Section 12.3 shall be the appraised value (the "Appraised Value") of such Units as of the date of the Purchase Event as determined in accordance with this Subsection 12.3(c). Within 30 days of the Purchase Event, the Seller shall select an appraiser with at least five years experience in valuing closely held

businesses similar to the Company and shall notify the Manager and the other Members of the name and qualifications of the appraiser so selected in writing. Within 15 days after receipt of such notice, the Board shall select an appraiser with at least five years experience in valuing closely held businesses similar to the Company and shall notify the Seller and the other Members of the name and qualifications of the appraiser so selected in writing. If either the Seller or the Board shall fail to appoint an appraiser as required by this Subsection 12.3(c), then the appraiser selected by the other shall determine the aggregate fair market value of the Proffered Units and that value shall be the Appraised Value of the Proffered Units. The two appraisers so selected shall thereafter each independently determine the aggregate fair market value of the Proffered Units within 30 days and each shall submit an independent appraisal report to the Seller, the Manager and the other Members. If the difference between the two appraisals is not more than ten percent of the amount of the higher appraisal, then the average of the two appraisals shall be the Appraised Value of the Proffered Units. If the difference between the two appraisals is more than ten percent of the amount of the higher appraisal, then the two appraisers shall select a third appraiser satisfying the requirements of this Section 12.3. If the two appraisers shall fail to select a third appraiser within 15 days after the end of the initial 30-day appraisal period, the third appraiser shall be appointed by the King County Superior Court at the request of either the Seller or the Board. The third appraiser shall independently determine the aggregate fair market value of the Proffered Units within 30 days of appointment and shall submit an independent appraisal report to the Seller, the Manager and the other Members. The aggregate fair market value determined by the appraisal which is neither the highest nor the lowest of the three appraisals shall be the Appraised Value of the Proffered Units. The cost of the first two appraisals shall be borne by the Persons appointing that appraiser and the cost of the third appraisal shall be borne one-half by the Seller and one-half by the Company. Nothing contained herein shall prevent the Seller and the Board from agreeing on the selection of a single appraiser to determine the Appraised Value of the Proffered Units.

(d) Company Purchase Rights. The Company, acting at the discretion of the Board, shall have the right to purchase all (but not less than all) of the Proffered Units by giving written notice to the Seller and the other Members within ten days after determination of the Appraised Value of the Proffered Units. The failure of the Company to so notify the Seller and the other Members of the Company's desire to exercise its purchase rights within said ten-day period shall result in the termination of the Company's purchase rights with respect to the Purchase Event triggering such rights.

(e) Member Purchase Rights. If the Company does not elect to purchase the Proffered Interest, then the other Members shall, on a basis pro rata to their Percentage Interests, have the right to purchase all (but not less than all) of the Proffered Units by giving written notice to the Manager, the other Members and the Seller within twenty days after determination of the Appraised Value of the Proffered Units. The failure of a Member to so notify the Manager, the other Members and the Seller of its desire to exercise its purchase rights within said twenty-day period shall result in the termination of such Member's purchase rights with respect to the Purchase Event triggering such rights.

(f) Failure to Exercise Purchase Right. Within ten days after expiration of the twenty-day period specified in the preceding paragraph, the Seller shall notify the Manager and those Members electing to exercise their purchase rights of any Proffered Units that the other Members did not elect to purchase. Within five days after the giving of such notice by the Seller, those Members exercising purchase rights in accordance with the preceding paragraph shall then notify the Manager, the Seller and the other purchasing Members whether they elect to purchase such remaining Proffered Units, which shall be allocated on a basis pro rata to the Units of those remaining Members exercising their purchase rights. In the event less than all of the Proffered Units are allocated pursuant to the formula set forth in the preceding sentence, then any remaining Units shall be offered to those Members continuing to exercise their purchase rights in accordance with the preceding sentence, on the same basis, until all the Proffered Units are allocated for purchase by the purchasing Members. If, at any time, no such notification is received by the Seller from any such Members in accordance with this paragraph and Proffered Units remain unallocated for purchase, then no Member shall have any purchase rights with respect to such Units under this Section 12.3 with respect to the Purchase Event triggering such rights.

(g) Closing. If the Company or Members have elected to purchase all of the Proffered Units, the purchaser(s) shall pay the purchase price for the Proffered Units, as determined in Subsection (c) above, in cash, in full, within 180 days after the date of the Purchase Event, or by the payment of at least 20% of the purchase price in cash within such time period, and execution and delivery of a promissory note for the balance that shall bear interest at the prime commercial lending rate offered by Bank of America as of the last day of the month prior to such date; provided that such interest rate shall not exceed the maximum legal rate allowable under Washington law at such time. Such note shall be fully amortized in equal annual payments, including interest, over a three-year period, and the debtor shall have the right to prepay such note at any time without premium or penalty. The method of payment shall be at the option of each purchaser, each of whom shall select the method they choose prior to the end of such 180 day period.

(h) No Exercise of Purchase Right. If neither the Company nor Members elect to purchase all of the Proffered Units in accordance with this Section 12.3, then the purchase rights triggered by the Purchase Event shall lapse and the Seller shall remain subject to the terms and conditions of this Article 12 as if the Purchase Event had not occurred.

12.4. Additional Transfer Provisions.

(a) Further Requirements. Upon the sale or the gift of any Membership Interest, and as a condition to recognizing the substitution of a Person as a new Member, the Board may require the transferring Member and the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge and deliver to the Board a Member Signature Page, instruments of transfer, assignment and assumption, and such other agreements and to perform all such other acts that the

Board may deem necessary or desirable to: (i) constitute such Person as a Member; (ii) confirm that the Person desiring to become a Member has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement; (iii) maintain the status of the Company as a partnership for federal tax purposes; and (iv) assure compliance with any applicable state and federal laws, including securities laws and regulations.

(b) Indemnification. Each transferring Member hereby agrees to indemnify the Directors, the Manager, the Company and the other Members against any and all loss, damage or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article 12.

(c) Loss of Membership Interest. Following any sale or gift of all of a Member's Membership Interest, such Person shall no longer be a Member.

ARTICLE 13. ADDITIONAL MEMBERS

13.1. Admission. Following the initial organization of the Company, and subject to this Article 13, the Company may admit additional Members to the Company on such terms and conditions as Members holding a Majority Interest may approve.

13.2. Further Restrictions on Additional Members. No additional Member shall be admitted to the Company if the admission of that Member would (i) jeopardize the status of the Company as a partnership for federal income tax purposes, (ii) cause a termination of the Company pursuant to the then applicable provisions of the Act, (iii) violate or cause the Company to violate any applicable federal, state or local law, rule or regulation, including, but not limited to, any applicable federal or state securities law, (iv) require the Company to register as an investment company under the Investment Company Act of 1940, as amended, or (v) violate the terms of any taxi license test program or other conditions imposed on the Company in connection with the issuance of taxi licenses to the Company.

ARTICLE 14. DISSOLUTION AND TERMINATION

14.1. Dissolution. The Company shall be dissolved upon the occurrence of any of the following events:

(A) sale, transfer or other irrevocable disposition of all or substantially all of the property of the Company;

(B) the express determination of the Members to dissolve the Company; or

(C) otherwise by operation of law.

14.2. Allocation of Net Profit and Loss in Liquidation. The allocation of Net Profit, Net Loss and other items of the Company following the date of dissolution, including but not limited to gain or loss upon the sale of all or substantially all of the Company's assets, shall be determined in accordance with the provisions of Article 9 and shall be credited or charged to the Capital Accounts of the Members in the same manner as Net Profit, Net Loss, and other items of the Company would have been credited or charged if there were no dissolution and liquidation.

14.3. Winding Up, Liquidation and Distribution of Assets. Upon dissolution, the Manager shall immediately proceed to wind up the affairs of the Company. The Manager shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Manager may determine to distribute any assets to the Members in kind) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority:

(A) first, in payment of creditors, including Members and the Manager who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company, other than liabilities for distributions to Members;

(B) second, to establish any reserves that the Manager deems reasonably necessary for contingent or unforeseen obligations of the Company; and

(C) third, by the end of the taxable year in which the liquidation occurs (or, if later, within ninety (90) days after the date of such liquidation), to the Members in proportion to the positive balances of their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during which the liquidation occurs (other than those made pursuant to this Paragraph (C)).

14.4. No Obligation to Restore Negative Capital Account Balance on Liquidation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-l(b)(2)(ii)(g) of the Regulations, if any Member has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

14.5. Termination. The Manager shall comply with all requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

14.6. Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, the Manager shall file a certificate of cancellation as required by RCW 25.15.080.

14.7. Return of Contribution Nonrecourse to Other Members. If the property remaining after the payment or discharge of liabilities of the Company is insufficient to return the Capital Contributions of Members, no Member shall have recourse against any other Member.

ARTICLE 15. INDEPENDENT ACTIVITIES OF OFFICERS AND MEMBERS

Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, management, employment by, lending to or otherwise participating in businesses which are similar to the business of the Company, and neither the Company nor any of the Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits therefrom.

ARTICLE 16. MISCELLANEOUS PROVISIONS

16.1. Notices. Any notice, demand or communication required or permitted under this Agreement shall be deemed to have been duly given if delivered personally to the party to whom directed or, if mailed by registered or certified mail, postage and charges prepaid, addressed (a) if to a Member, to the Member's address specified on the attached Schedule I, (b) if to the Company, to the address specified in Section 2.3, and (c) if to the Manager, to the address specified in Section 2.3. Any such notice shall be deemed to be given when personally delivered or, if mailed, three business days after the date of mailing.

16.2. Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Washington

16.3. Amendments. This Agreement may not be amended except by a written amendment signed by Members collectively holding a Majority Interest.

16.4. Headings. The headings in this Agreement are inserted for convenience only and shall not affect the interpretations of this Agreement.

16.5. Waivers. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Person making the waiver.

16.6. Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

16.7. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

16.8. Heirs, Successors and Assigns. Each of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

16.9. Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

16.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

16.11. Investment Representations.

(a) Units Not Registered. The Units have not been registered under the Securities Act of 1933, the Securities Act of Washington or any other state securities laws (collectively, the "Securities Acts") because the Company is issuing the Units in reliance upon the exemptions from the registration requirements of the Securities Acts, and the Company is relying upon the fact that the Units are to be held by each Member for investment.

(b) Member Representation. Each Member hereby confirms the Units have been acquired for such Member's own account, for investment and not with a view to the resale or distribution thereof and may not be offered or sold to anyone unless there is an effective registration or other qualification relating thereto under all applicable Securities Acts or unless such Member delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification is not required. The Members understand that the Company is under no obligation to register the Units or to assist any Member in complying with any exemption from registration under the Securities Acts.

EXECUTED by the Company and the undersigned Members effective as of the date first above written.

GREEN CAB TAXI & DISABLED
SERVICE ASSOCIATION, LLC

By_____
Worku Asmare, Chairman

EXHIBIT A

DEFINITIONS

"Act" means the Washington Limited Liability Company Act, Chapter 25.15 of the Revised Code of Washington, as it may be amended from time to time.

"Affiliate" means, with respect to any Person, (i) any other Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any Person owning or controlling fifty percent (50%) or more of the outstanding voting interests of such Person, (iii) any officer, director or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee or holder of fifty percent (50%) or more of the voting interests of any Person described in clauses (i) through (iii). For purposes of this definition, the terms "controls," "is controlled by" or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Board of Directors" or **"Board"** means the group of individuals elected to oversee the management of the Company as provided in Section 6.1.

"Capital Account" shall have the meaning ascribed to that term in Section 8.2.

"Capital Contribution" means the total amount of money and the fair market value of property (net of liabilities secured by such property that the Company is considered to assume or take subject to under Code Section 752) contributed to the capital of the Company by a Member pursuant to the terms of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

"Company" means the Washington limited liability company created pursuant to this Agreement and initially named Green Cab Taxi & Disabled Service Association, LLC.

"Company Minimum Gain" has the same meaning as the term "partnership minimum gain" in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

"Defaulting Member" shall have the meaning ascribed to such term in Section 8.1(c).

"Default Loan" shall have the meaning ascribed to such term in Section 8.1(c)(i).

"Deficit Capital Account" means with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

(A) credit to such Capital Account any amount that such Member is obligated to restore to the Company under Section 1.704-l(b)(2)(ii)(c) of the Regulations, as well as any addition thereto pursuant to the next-to-last sentences of Sections 1.704-2(g)(1) and (i)(5) of the Regulations; and

(B) debit to such Capital Account the items described in Sections 1.704-l(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

This definition is intended to comply with the provisions of Sections 1.704-l(b)(2)(ii)(d) and 1.704-2 of the Regulations and will be interpreted consistently with those provisions.

"Director" means any individual elected to and serving as a member of the Board of Directors.

"Distributable Cash" means all cash received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and other sums paid or payable to lenders; (ii) all other cash expenditures; and (iii) any reserves the Company deems necessary or desirable.

"Entity" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any other organization that is not a natural person.

"Majority Interest" means, at any time, more than 50% of the then-outstanding Units held by Members.

"Manager" means the individual appointed as Manager as provided in Article 5.

"Member" means a Person who executes this Agreement as a Member, and each other Person who may hereafter become a Member pursuant to the terms of this Agreement and the Act, unless in either case such Person has ceased to be a Member pursuant to the terms of Section 5.6 hereof. To the extent the Manager is also a Member, the Manager will have all the rights of a Member with respect to his or her Membership Interest, and the term "Member" as used herein shall include the Manager to the extent the Manager is also a Member.

"Membership Interest" means, with respect to any Member at any time, the entire legal and equitable ownership interest of such Member in the Company, including all voting rights, rights to participate in management of the Company, rights to receive distributions and allocations of Net Profits, Net Losses and other tax items, and all other rights and obligations of such Member under this Agreement.

"Member Signature Page" means the signature page in the form attached to this Agreement as Exhibit B and executed by each Member to evidence such Member's agreement to the terms and provisions of this Agreement.

"Member Minimum Gain" has the same meaning as the term "partner nonrecourse debt minimum gain" in Section 1.704-2(i) of the Regulations.

"Net Profits" and **"Net Losses"** shall have the meaning ascribed to those terms in Section 9.5.

"Percentage Interest" with respect to any Member, means the percentage determined based upon the ratio that the number of Units held by such Member bears to the total number of outstanding Units.

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such "Person" where the context so permits.

"RCW" means the Revised Code of Washington, as it may be amended from time to time.

"Regulations" means temporary and final Treasury regulations promulgated under the Code and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

"Tax Matters Partner" shall have the meaning ascribed to that term in Section 11.6.

"Units" means all units of Membership Interest in the Company, whether now or hereafter existing.

EXHIBIT B

GREEN CAB TAXI & DISABLED SERVICE ASSOCIATION, LLC
OPERATING AGREEMENT

MEMBER SIGNATURE PAGE

I execute this Member Signature Page to acknowledge my agreement to all of the terms and conditions of the Operating Agreement of GREEN CAB TAXI & DISABLED SERVICE ASSOCIATION, LLC, a Washington limited liability company (the "Company"), dated June ___, 2008 (the "Agreement"). Effective upon the acceptance of this Member Signature Page by the Company, I agree, as a Member of the Company, to be bound by all of the terms and conditions of the Agreement.

_____
Name of Individual (Please Print)

_____
Signature

Date:_____

ACCEPTANCE

Green Cab Taxi & Disabled Service Association, LLC, accepts the person or entity signing above as a Member of the Company on the terms set forth above.

GREEN CAB TAXI & DISABLED
SERVICE ASSOCIATION, LLC

By _____
Worku Asmare, Chairman
Date: _____

CONSENT OF SPOUSE

The undersigned, being the spouse of an individual member signing this Member Signature Page, certifies and agrees as follows:

1. I have read, understand and approve the Agreement.

2. I agree on behalf of myself and all my successors in interest that the Agreement binds my community property interest, if any, in any interest in the Company held in the name of my spouse.

3. I consent to the execution and performance of the Agreement and all other documents by my spouse relating to the Company, including without limitation the sale of my spouse's interest in the Company, without the necessity of obtaining my signature or further consent.

4. I grant a power of attorney to my spouse for the sole and exclusive purpose of dealing with my interest, if any, in the Company.

5. I acknowledge that I have been advised to seek separate counsel in the execution of this Consent.

Signature:_____
Printed Name:_____
Date:_____

SCHEDULE I

Member Information

As of June ___, 2008

[To be inserted]

CERTIFICATE OF SERVICE

I certify that on the 8th day of May, 2013, I caused a true and correct copy of this Opening Brief to be served on the following by electronic transmission and U.S. Mail:

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Sullivan Law Firm
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Seattle, WA 98104

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By: _____
Thomas J. Seymour